Council Briefing SupplementaryAgenda

Date:	Thursday, 14 August, 2025
Time:	9:00 am
Location:	Civic Centre, Te Iwitahi, 9 Rust Avenue
Elected Members:	His Worship the Mayor Vince Cocurullo Cr Gavin Benney Cr Nicholas Connop Cr Ken Couper Cr Jayne Golightly Cr Phil Halse Cr Deborah Harding Cr Patrick Holmes Cr Scott McKenzie Cr Marie Olsen Cr Carol Peters Cr Simon Reid Cr Phoenix Ruka Cr Paul Yovich

For any queries regarding this meeting please contact the Whangarei District Council on (09) 430-4200.

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2.5 Local Waters Done Well Update

Meeting:	Council Briefing
Date of meeting:	14 August 2025
Reporting officer:	Andrew Carvell (General Manager – Waters)

1 Purpose / Te Kaupapa

To inform the Council on progress with the Local Waters Done Well water reforms.

2 Background / Horopaki

The current Government's Local Waters Done Well (LWDW) programme aims to address New Zealand's long-standing water infrastructure challenges. It recognizes the importance of local decision-making and flexibility for communities and councils to determine how their water services will be delivered in the future. Councils will need to ensure a strong emphasis on meeting economic, environmental, and water quality regulatory requirements. The way councils propose to deliver water services needs to be presented to the Department of Internal Affairs (DIA) through a Water Services Delivery Plan, due on 3 September 2025.

As part of the LWDW programme, councils were required to consult with the community on options for delivering water services. Whangārei District Council included LWDW alongside its annual plan consultation and consulted on the following options:

1. An In-house Business Unit with increased collaboration with Northland councils.
2. A Northland Council Controlled Organisation (CCO) with Kaipara and Far North District councils (drinking and wastewater only).

Of the 73 submissions received, 73% supported an in-house business unit, 19% leaned towards a CCO, and 8% did not show a clear preference.

To assess the various models for delivering water services, a Working Group was established, consisting of elected members from the three Northland district councils and a crown-appointed advisor, David Hawkins. The scope of the Working Group included looking at delivery of water services on a what's best for Northland approach, rather than solely a district-by-district perspective. The Working Group has met five times since its formation to consider various aspects of water service provisions in Northland:

The information presented to the Working Group indicates that while WDC can deliver water services through an in-house business unit, there are greater challenges in Kaipara, particularly around growth, and in the Far North, particularly around compliance, delivery, and affordability. A regional CCO is workable from a high-level financial perspective and provides better outcomes for water delivery in Northland as a whole.

A high-level overview how each entity relatively was considered to deliver to various considerations is set out in the table below.

Consideration	Water Entity		
	Stand Alone	KDC/ WDC Joint CCO	Regional CCO
Ability to address growth			
Adress compliance issues			
Provide resilience			
Deliver affordable water services			
Community lead			
Cost effective decision making			
Director liability			
Cost of water service			

Some of the reasons informing this assessment included:

- A regional CCO, as a larger water service entity than in-house business units, was more resilient to staff changes that currently impacts strategic planning and project delivery.
- As a larger water service entity, it was considered that a CCO was better placed to appoint and retain necessary skills to deliver water services.
- The CCO can better utilise debt to fund capital works and spread the cost over time.
- Council has a wide range of activities that it manages. Delivery of water services is the CCOs sole task and as such can provide a more targeted service.

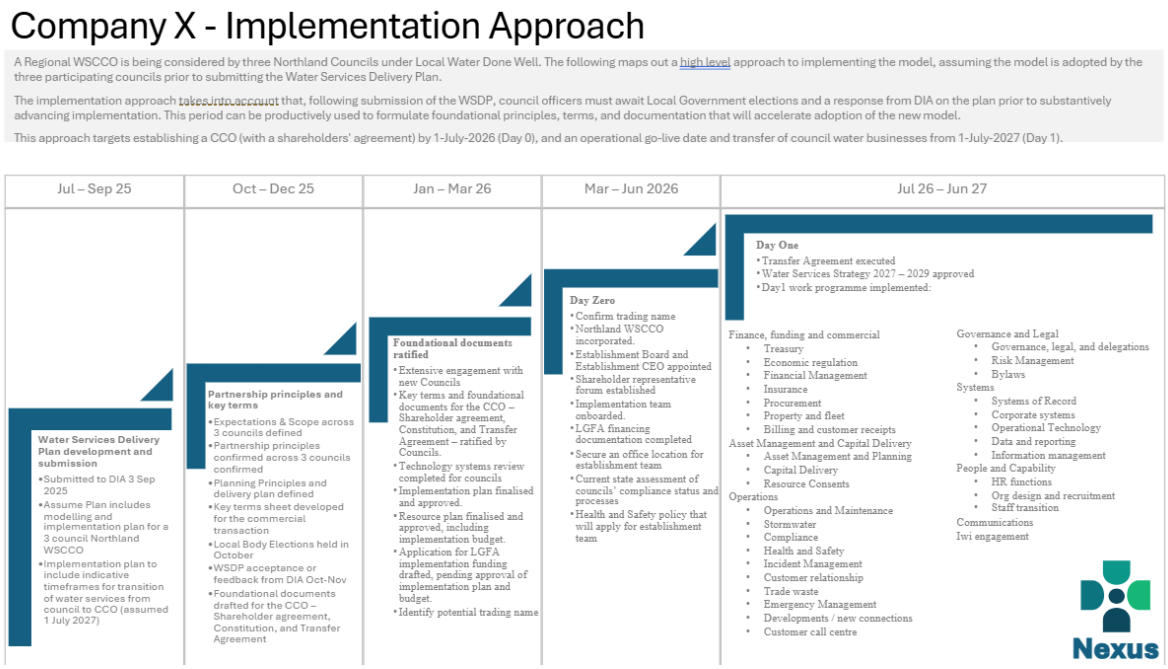
In late July all three councils resolved to form a CCO by 1 July 2027 for delivery of drinking water and wastewater services, with stormwater remaining in-house. The following key initial principles for the establishment of a CCO were adopted:

a. That initially financials are ring-fenced to each council.
b. That initially water charges are not harmonised across the three founding council areas.
c. That the CCO review ring-fencing of finances and harmonising charges within 3 years from its commencement date.
d. That a shareholder council be formed that includes two representatives of each founding Council, of which at least one must be an elected member.
e. When scheduling growth projects, the CCO is aligned with each council's growth strategies.

3 Discussion / Whakawhiti kōrero

Timeframes around establishment of the CCO

There is significant work needed to establish a CCO by 1 July 2027. This work includes the execution of agreements between the councils and incorporation of the CCO. An indicative implementation plan is provided below.



Of particular importance is the development of the Partnership Principles and formation of the Foundation Documents, including the Shareholder Agreement that will include how the councils engage with the CCO and establishes a governance model, such as a shareholder council.

In relation to governance of the CCO the water reform legislation requires that the CCO have a board of directors that are selected on merit and the board cannot include elected members. The councils will collectively develop the director's skills matrix and it is anticipated that this will be informed by the partnership principles.

Within the resolution to form a CCO there is a foundation principle that a Shareholding Council be formed that includes two representatives from each council with at least one member being an elected member. The final form of the Shareholding Agreement is as yet unknown though it is expected it will be in front of councils to approve in quarter 1 or 2 of next year. Council will set its expectations on how the CCO will operate through a Statement of Expectations.

It is noted that the third Water Reform Bill is not yet enacted, and future regulatory changes could impact the CCO's structure and operations. Upcoming local and central government elections may also shift policy direction and/or delay implementation.

Water Services Delivery Plans (WSDP)

As per the decisions from the council a joint WSDP has been collaboratively drafted by a staff working group from all three councils. Templates established by the DIA are the basis of the documents being prepared with the templates updated to reflect the joint nature of the WSDP. These also act as a checklist for completion of the information required.

The draft WSDP has been shared with DIA for review along with the spreadsheet template with all the financial information.

Structure of the document

There are five parts to the WSDP:

Part A – includes

a. what delivery model has been chosen and what we think it might look like
b. the implementation plan with how we will put the chosen model in place
c. the consultation process each council went through
d. assurances and certifications that the information is complete, accurate and approved

Part B covers our water services – today and what we propose to invest

a. Where our networks are and how they are faring
b. How we manage those assets
c. What we need to invest

Part C is about various revenue and financing elements – how we handle them today and what might change

Parts D&E are the financial tables for all the water services

Implementation Plan

The implementation plan in Part A of the document includes information on the activities to occur in the establishment phase – up to the point where the CCO entity is incorporated and then the transition phase from the point of establishment (planned for 01 July 2026) to the commencement of operations planned for 01 July 2027.

Pathway to submit the WSDP

As the feedback is incorporated into the final document, the WSDP will go through continuous review by the staff working group. This will ensure as we prepare Council reports and content for the adoption meetings at the end of August (27 for Kaipara and 28 for both Whangārei and Far North) so that reporting timeframe obligations can be met.

It is expected that the content for the reports and WSDP files will be available by 14 August.

The implementation plan contained in the draft joint WSDP has two distinct phases:

1. Establishment – where agreement on key governance principles is reached and foundational documents are prepared. This phase is complete when the CCO entity is incorporated (anticipated 01 July 2026).

2. Transition – during which the practical and operational activities required to establish the joint CCO for delivering water and wastewater services to Northland (a medium-sized standalone business) are carried out. This phase will transfer to a business as usual (BAU) mode upon commencement of operations (anticipated 01 July 2027)

Underlying the implementation plan is the commitment of each council to establish the CCO and this will be reconfirmed at set milestones for continuation.

The ‘what’ of what we need to do is clear and there is much guidance available from the Department of Internal Affairs (DIA) on the Local Water Done Well (LWDW) programme site here - https://www.dia.govt.nz/Water-Services-Policy-legislation-and-process.

How we go about it is up to us to determine. There are examples of the way others have done this before us and also of how other water services CCOs around New Zealand propose to approach their implementation.

The rest of this discussion focusses on the establishment phase and how we deliver that.

During the establishment phase, each council will be responsible for delivering all their existing and planned water services activity including both the operations and the governance aspects of the necessary decisions for that operational activity.

In parallel, the councils will jointly guide the activities through to the incorporation of the CCO at which point the transition team of the CCO will resume responsibility for the remainder of the implementation plan. Each council will be supporting the establishment phase through supply of resources as agreed in the Commitment Agreement and other documents.

Milestones for the establishment phase

By March 2026 we need to have:

a. confirmed the foundational principles for each of the foundation documents
b. determined what transition will look like including our engagement plan
c. set the resourcing and budget plan for transition

By June 2026 we need to have

a. Shareholders Agreement agreed
b. Constitution agreed
c. trading name determined
d. incorporation of CCO company for 01 July 2027

Activity workstreams

While the mix is likely to be different between the establishment and transition phases, the following activities will need to be considered:

- People and Capability
- Finance funding and commercial
- Asset management and capital delivery
- Operations
- Governance and legal
- Technology and facilities
- Comms

Stormwater and rest of council impacts will be workstream(s) for each council individually but it is likely there will be shared work here as well to determine the extent of the stormwater operations to be contracted to the CCO for management.

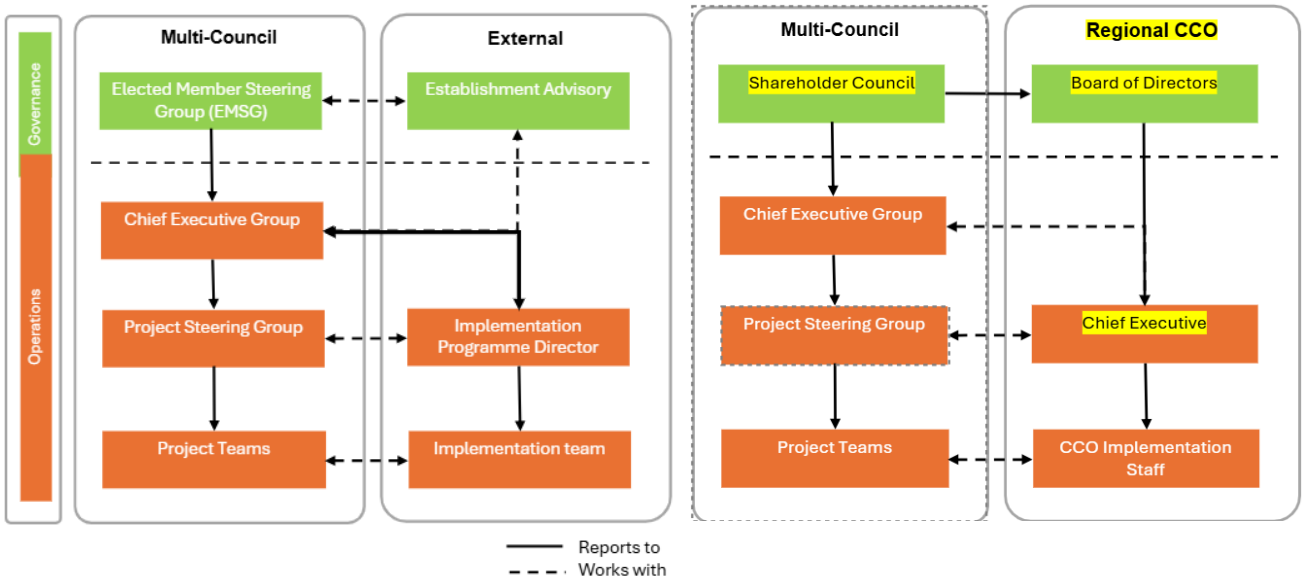
Governance structure for establishment

It is proposed that an adaptable structure be set up to lead the set up the CCO and then transition it to operation. A strawman approach is drafted below with a view to:

- Set up governance systems to monitor progress of CCO formation

- Establish accountability for delivery
- Support establishment through provision of high-level skills at an advisory level
- Support transition through the phases. An opportunity may be that the advisory group members be selected with a view to forming the transition boards.

Figure 1 *Proposed Governance Model (From now to 1 July 2026 and once CCO incorporated)*



4 Budgets

The initial phase the structure and activities will require budget to be achieved. Discussion with what is being planned for other CCO's establishment suggest a figure of $1 to 2m should be allowed shared across the three councils with a view that this cost be captured and transferred to a future CCO. Once the CCO is established the cost is expected to be an additional $6.5m to $11.5m dependent on development of IT systems and possible transitional arrangement. These costs may be met by debt against the water entity.

4.1 Financial/budget considerations

As a briefing report this report does not have any specific cost financial implications.

4.2 Policy and planning implications

As an briefing report this report does not have any specific policy implications.

4.3 Risks

Financial	The financial modelling to provide services through a CCO relies on assumptions about capital expenditure and development contributions, which may not align with actual growth patterns or timing. Long-term viability beyond the initial 10-year forecast remains uncertain and will require further analysis. Funding criteria from the Local Government Funding Agency (LGFA) are still being finalised, introducing potential borrowing constraints.

Governance and Implementation	Establishing the CCO will require complex inter-council agreements on governance, shareholding, and transitional arrangements. Recruiting qualified directors and aligning governance expectations across councils may be challenging. Councils may retain residual liabilities, including guarantees to the LGFA and potential stranded overheads.
Operational	Transitioning staff and systems across three councils could disrupt service continuity and affect morale. Integrating disparate asset and financial management systems will require significant resourcing.
Community	Community concerns about regionalisation, particularly in the Far North and Whangārei, may persist despite consultation.
Legislative	The third Water Reform Bill is not yet enacted, and future regulatory changes could impact the CCO's structure and operations. Upcoming local and central government elections may shift policy direction or delay implementation.

5 Significance and engagement / Te Hira me te Arawhiti

5.1 Significance

The decision to form a regional Council Controlled Organisation (CCO) for drinking water and wastewater services is a significant strategic step for Council. However, under section 62 of the Local Government (Water Services Preliminary Arrangements) Act 2024, Council is not required to undertake further consultation on this matter, *despite anything in its Significance and Engagement Policy*. This is because Council has already consulted on the future delivery of water services through the Local Water Done Well consultation process held from 2 April to 2 May 2025.

5.2 Engagement

Council may decide to undertake further consultation. When doing so, under section 62(5) Council must have regard to :

(a) the requirement in section 78(1) of the LGA2002; and

(b) the extent to which the authority already knows the views and preferences of persons likely to be affected by, or to have an interest in, the decision; and

(c) the nature and significance of the decision, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision.

Council has fulfilled this requirement through a formal consultation process that included:

- A publicly available consultation document outlining two service delivery options (in-house business unit and a Northland CCO);
- A feedback form and multiple submission channels (online, email, post, and in-person);
- Public drop-in sessions across the district;
- A summary of the pros and cons of each option, including financial, governance, and service delivery implications

Community feedback gathered through the Local Water Done Well consultation process showed a general preference for maintaining water services within Council, supported by increased collaboration with neighbouring districts. While the concept of a regional CCO was

acknowledged, concerns were expressed about financial risk and governance distance. Council recognises that the recommended approach differs from the prevailing community sentiment. Nonetheless, having regard to the nature and scale of the proposal, the extent to which community views are already known, and the legislative context provided by section 62 of the *Local Government (Water Services Preliminary Arrangements) Act 2024*, the matter is not considered significant under Council's Significance and Engagement Policy

6 Attachments / Ngā Tāpiritanga

1. Draft Water Service Delivery Plans

Water Services Delivery Plan

NCCO3

[Date submitted]

This is an incomplete working draft

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Part A: Statement of financial sustainability, delivery model, implementation plan and assurance

Statement that water services delivery is financially sustainable

This plan outlines that water and wastewater services for the Kaipara, Whangārei and Far North District Councils will be delivered in a manner that meets the financial sustainability requirements of the government's Local Water Done Well (LWDW) programme by 30 June 2028. A joint water services council-controlled organisation (CCO) will be established to achieve this across the Northland region made up of the three participating districts.

The CCO joint delivery model demonstrates sufficiency across revenue, investment and financing to deliver the necessary capital and operational programme that will support the level of service, growth and resilience needs for the combined regions over the ten-year period of the plan.

By working together in this manner, the Northland region is better serviced for these activities than if each council were to work alone.

Each council brings a unique set of requirements and challenges which will be addressed in the transition period. The modelling done to support this plan establishes the parameters for financial sustainability that the CCO must comply with. With each council bringing their district's investment needs to the table, transitional activities will exist to align the delivery mechanisms, particularly regarding harmonisation of pricing and financing across the region, and prioritisation of capital projects.

Part C of this plan discusses the revenue and financing arrangements while Part D includes the financial sustainability assessment.

It is expected that the collective debt available to the councils and the CCO to address all three waters will be $xx in 2033/34.

Proposed delivery model

Proposed model

A joint water services council-controlled organisation (CCO) will be established made up of the three participating districts across the Northland region – Kaipara, Whangārei and Far North. The CCO will own water and wastewater assets and provide stormwater services to councils, subject to agreement, as they will maintain ownership of stormwater assets.

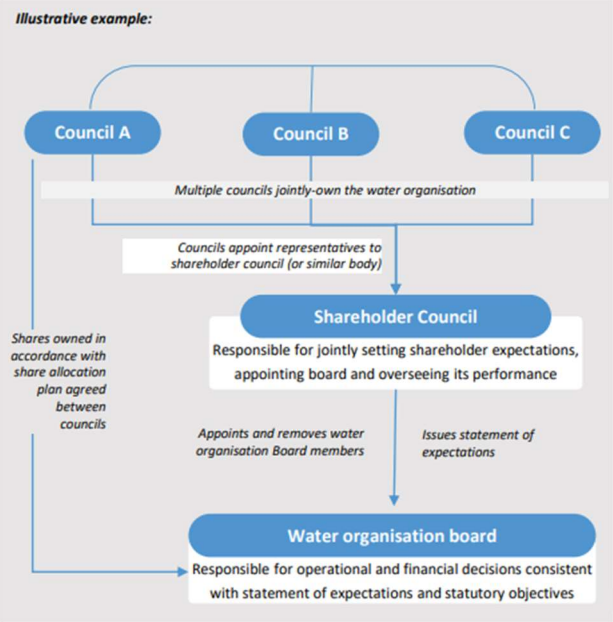
Individual councils will be represented by the Shareholders Council and provide guidance to the CCO via the Statement of Expectations.

Stormwater operations within each council will be ring-fenced and operated according to the requirements of the LWDW legislation.

The CCO will commence operations on 01 July 2027.

Organisation structure

It is intended the structure will follow the form outlined below in the guidance provided for the LWDW programme:



The CCO will establish its preferred organisation structure, set the pricing, manage the assets, balance sheet and debt under the oversight of and independent, professionally competent board appointed by the Shareholders Council.

Ownership

Kaipara, Whangārei and Far North District Councils will be the founding shareholders of the CCO. The CCO will own and manage infrastructure assets for water supply and wastewater services while stormwater assets will remain with the current council owners.

The Shareholders Agreement will allocate shares and outline the support of the CCO's financial arrangements required by each council.

Contractual arrangements

Stormwater assets will be managed by the CCO under contractual arrangement with each council including service level agreements.

It is likely that one or more of the councils will provide shared services to the CCO in the initial years of operation. These arrangements will be confirmed through the transition period with the necessary contractual arrangements in place for day 1 of the CCO's operations.

Implementation Plan

Implementation Phases

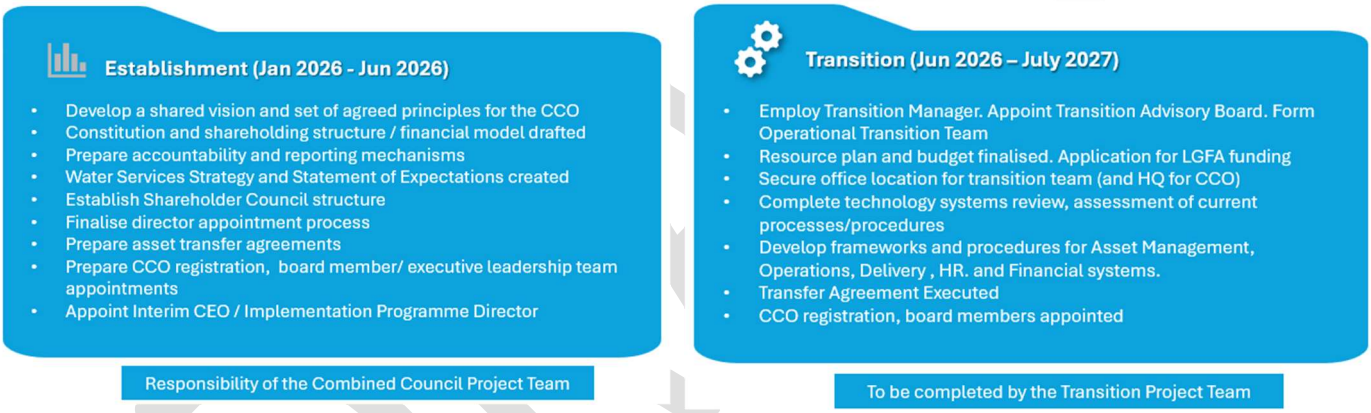
The implementation of a joint water services CCO for the combined Northland council's current drinking water and wastewater services will occur in two distinct phases:

Establishment Phase – where agreement on key governance principles is reached and foundational documents are prepared.

Transition Phase – during which the practical and operational activities required to establish a medium-sized standalone business are carried out. As stormwater services will remain the direct responsibility of district councils, the limited actions needed to implement the required changes will be managed through the council's existing delivery frameworks and are therefore not itemised in this plan.

Following completion of the Transition Phase, the CCO will enter a **Business-as-Usual** (BAU) operating mode. At that point, having established an optimal operating environment, the CCO will focus on delivering service quality improvements, achieving operational efficiencies, and implementing long-term financial sustainability.

During the Local Government election and induction period (Oct 2025 – Dec 2025) staff will continue with detailed planning activities and brief new councils on the Water Services CCO progress.



Implementation Milestones

There are six key milestones in implementing the Water Services Delivery Plan (WSDP) for Northland's water services. To meet the Government's timeframes, it has been agreed that 'off-ramps' will be available prior to Milestones 1 and 2. These off-ramps allow participating councils to withdraw from the agreement to establish a joint Council-Controlled Organisation (CCO) and instead prepare a WSDP to deliver services through an in-house council business unit. The purpose of the off-ramps is to give councils the confidence to proceed with progressing a CCO, even while key strategic and legal matters remain unresolved.

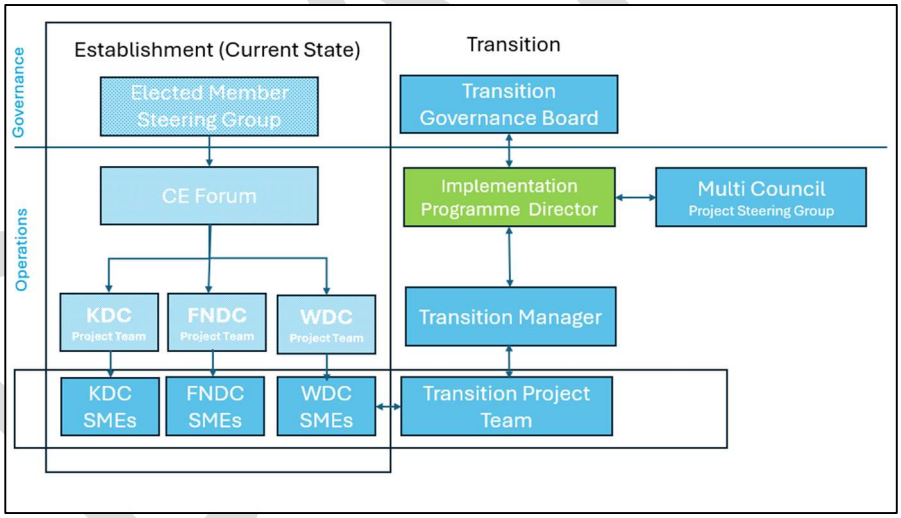
On completion of milestone 6 the legal transfer to the new entity will be executed. The final stage of Transition will be project closure where all activities are completed, outcomes are reviewed, and the project is formally closed.

Milestone Number	Milestone Description	Target Date	Description
1	Foundational Principles Confirmed Off-Ramp #1	1 Mar 2026	Confirm purpose and objectives of the entity. Agree shareholding structure, finance principles, and cost allocation. Develop director appointment process.
2	Strategic Approach Agreed Off-Ramp #2	1 Jun 2026	Statement of Expectations and Water Services Strategy endorsed. Setting of SLAs and reporting requirements. Alignment of policies/by-laws. Appoint Interim CEO /Implementation Programme Director.
3	Transition Phase Initiated	1 Jul 2026	Transition Steering Group ToR and Project Team Charter approved. Transition Manager appointed. Transition project team in place.
4	Day Zero	1 Aug 2026	Trading name confirmed and incorporated. Transition Governance Board and Shareholder representative forum founded.
5	Service/Organisational Design Completed	1 Dec 2026	AMPs consolidated, IT systems and finance strategies approved. Headquarter location determined. Mechanism for legal transfer to new structure defined.
6	Operational Readiness	30 Jun 2027	CCO staff recruited. Operational policies (incl. HRM, Procurement, Project Delivery, Risk Management) effected. IT and Finance strategies implemented.

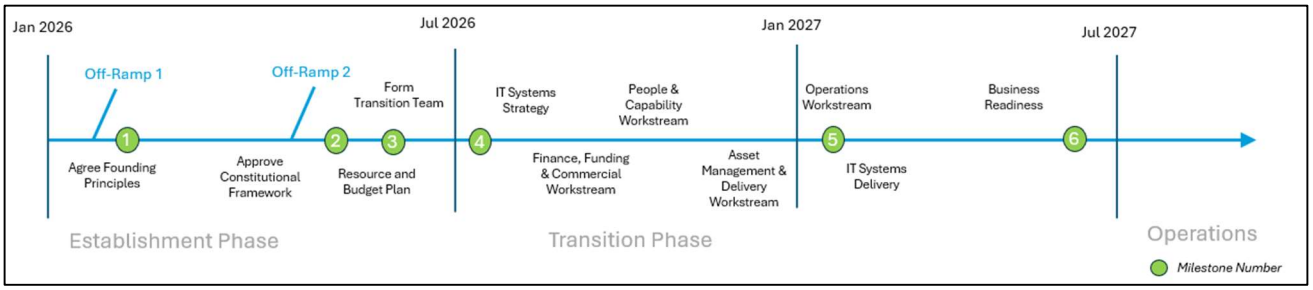
Implementation Structure

The Implementation Structure outlines a clear separation between Governance (elected officials) and Operations (council staff and management). During the Establishment phase, councils hold direct responsibility for activities. Responsibility then moves to the CCO for the Transition phase.

Prior to the commencement of the Transition phase (Milestone 3), an Interim CEO / Implementation Programme Director will be appointed. This role will have a strong emphasis on developing and negotiating commercial arrangements, and will also be responsible for overseeing governance structures, legal frameworks, staffing, systems, and stakeholder engagement—ensuring the new entity is both commercially viable and operationally ready.



Implementation Timeline



Consultation and engagement

Each council undertook consultation in accordance with the requirements of sections 61-64 of the Local Government (Water Services Preliminary Arrangements) Act 2024. Individual consultation documents were prepared by each Council, explaining the requirements for Local Water Done Well and providing context on how each council's water services currently perform.

All three consultation documents proposed at least two options for how water services could be delivered in the future. These options were analysed, and details were provided on how each of them may affect rates, debt, levels of service, any other charges for water services, and described the potential implications of a CCO made up of all three councils. Each consultation document also noted which option was preferred by the respective councils.

Whangarei District Council (WDC) consultation and engagement

On 27 March 2025 WDC adopted the 'Water you say, Whangārei' consultation document, resolving to consult on the following options for the future of Whangārei's water services delivery:

Option 1: In-house business unit with increased collaboration with Northland councils (preferred option).

Option 2: Northland Council Controlled Organisation (CCO) with Kaipara District Council and Far North District Council (drinking water and wastewater only).

WDC held its consultation between 2 April 2025 and 2 May 2025, asking the public to describe what it does and does not like about each proposed option.

Awareness of this consultation was heavily promoted both prior to and during the consultation period via the Council's website, newsletters, social media platforms, the local newspaper, local radio ads and interviews, online display ads, digital billboards, and Council advisory groups. A dedicated event for the district's resident and ratepayers' associations, as well as three public drop-in sessions, were held early in the consultation period.

WDC received 73 submissions, which were analysed by council staff. Overall, sentiment was weighted in favour of the Council's preferred option. Of the submissions related to Local Water Done Well, approximately 73% leaned towards option 1, while 19% leaned toward option 2, and 8% did not show a clear preference.

Common themes among those who leaned towards option 1 were that Whangārei has proven it can manage its water effectively, it will cost less to set up and result in less debt, it won't require cross subsidisation of neighbouring councils, it avoids increased bureaucracy, and that local (Whangārei) control and democratic processes are important.

Common themes among those who leaned towards option 2 were that Whangārei has a social responsibility to help its neighbours, borrowing potential would increase, and that elected Councillors currently have too much control over water services.

Kaipara District Council (KDC) consultation and engagement

On 4 April 2025 KDC adopted the 'Our Water Our Way' consultation documents, after it resolved to consult on the future of water services delivery options for Kaipara. The options consulted on were:

Option 1: A Northland multi- council-controlled organisation with Whangarei District Council and Far North District Council (preferred option).

Option 2: A Kaipara District Council inhouse model.

Option 3: A shared service contract model with Whangārei District Council, and possibly Far North District Council.

Kaipara District Council held its community consultation between 7 April 2025 and 7 May 2025, asking the public to choose which proposed option it preferred and why.

Awareness of this consultation was heavily promoted both prior to and during the consultation period via the council website, e-newsletters, social media, Antenno app, the local newspapers, radio ads and via community networks. Five drop-in sessions were also held during the consultation period.

KDC received 66 submissions, which were analysed by council staff. Overall, sentiment was weighted in favour of the council's preferred option. Of the submissions related to Local Water Done Well, approximately 60% supported option 1 (A Northland multi- council-controlled organisation), while 35% supported option 2, and 5% supported option 3.

Themes among those who leaned towards option 1 were that a collective Northland effort was the most equitable and logical option and could leverage significant economies of scale.

Themes among those who leaned towards option 2 were that these are local assets and should be owned and controlled by council, and that giving control to outsiders/other councils was not in the interests of Kaipara long term.

There were no clear themes for those who supported option 3 (only three submissions), only support for the option.

Far North District Council (FNDC) consultation and engagement

After weighing up several options, on 2 April 2025 FNDC adopted a consultation document, resolving to consult on the following options for the future of Far North's water services delivery:

Option 1: 'Te pēke' - A strengthened in-house model (preferred option).

Option 2: 'Te kete' - A three-council water services organisation with Kaipara and Whangārei.

The terms 'Te pēke' and 'Te kete' were chosen to reflect the values of each model. Te pēke translates in Te Reo Māori to 'the bag' and represents the strengthened in-house model, where services stay with the council, tightly managed and locally controlled. Te kete translates to 'the basket' and represents the three-council water services organisation, where resources and responsibility are shared for greater efficiency and wider collaboration with Kaipara and Whangarei District Councils.

FNDC held its consultation between 4 April 2025 and 6 May 2025, asking the public what it thought about each proposed option. Awareness of the consultation was promoted via FNDC's website, social media channels, and three pop-up events were held for the public to learn more.

Of the 116 submissions FNDC received, 68% supported keeping water services in-house. Many submitters highlighted the importance of retaining local control and accountability, especially when it comes to essential services like drinking water, wastewater and stormwater.

Assurance and adoption of the Plan

The three councils have worked together to build the content of this plan including employing assurance practices along the way:

- Internal reviews have occurred prior to information being shared.
- Information has been reviewed and discussed in staff working groups.
- Guidance has been received from the Working Group made up of three elected members from each council.
- Modelling has been conducted jointly, initially via Beca and Martin Jenkins, and then supported by the DIA with feedback.
- Final numbers are provided in the DIA template to ensure calculations are correct.
- This plan also follows the DIA template to ensure completeness of the information required as per section 13 of the Local Government (Water Services Preliminary Arrangements) Act 2024.

Council resolution to adopt the plan

Each council has committed to the joint water services delivery model in the form of a CCO in the meetings noted below:

1. Whangārei District Council – 24 July 2025.
2. Kaipara District Council – 30 July 2025.
3. Far North District Council – 31 July 2025.

This joint Water Services Delivery Plan has been adopted by council resolution at the following meetings:

1. Kaipara District Council – 27 August 2025.
2. Whangārei District Council – 28 August 2025.
3. Far North District Council – 28 August 2025.

Certification of the Chief Executive of *Kaipara District Council*

I certify that this Water Services Delivery Plan:

- complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- the information contained in the Plan is true and accurate.

Signed: _____

Name: Jason Marris

Designation: Chief Executive

Council: Kaipara District Council

Date: _____

Certification of the Chief Executive of *Whangārei District Council*

I certify that this Water Services Delivery Plan:

- complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- the information contained in the Plan is true and accurate.

Signed: _____

Name: Simon Weston.

Designation: Chief Executive.

Council: Whangārei District Council.

Date: _____

Certification of the Chief Executive of *Far North District Council*

I certify that this Water Services Delivery Plan:

- complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- the information contained in the Plan is true and accurate.

Signed: _____

Name: Guy Holroyd.

Designation: Chief Executive.

Council: Far North District Council.

Date: _____

Part B: Network performance

Investment to meet levels of service, regulatory standards and growth needs

The shareholding councils recognise the substantial investment that is required in the regions three waters infrastructure to address compliance, aging infrastructure, resilience, and growth for each district. The CCO model offers opportunities to improve on what each council can achieve alone through the holistic management of the whole region and improved funding options.

This part of the plan discusses the current situation for each council's communities and water services assets including resource consents. The capital investment programmes contributed by each council have been managed to ensure the compliance requirements of the LWDW programme are achieved. These will be potentially reset again by the CCO's Water Services Strategy and once formalised will supersede the information in this plan.

Serviced Population

The population across Northland is 200,800 with each district representing a 2024[1] population of:

- Kaipara 26,800.
- Whangārei 100,500.
- Far North 73,500.

Across the three districts, there are many water services schemes that serve small communities. Some of these communities may only have the services of one water activity, some two and some all three. For that reason, the water services within the CCO are shown individually.

Serviced population has been determined using a Household Unit Equivalent (HUE) value of 2.7 against the number of connections. All the districts have communities with significant numbers of holiday homes, so this is the only logical approach to take. Summertime/holiday populations can exceed the census population figures for these communities by up to 200% but the services are available all year around. Increased opportunities for remote working in recent years has seen increased usage of the water services in some of these holiday locations.

[1] Infometrics Regional Economic Profile

Table 1 | Kaipara District Projected Serviced Population

Water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	8,508	8,593	8,679	8,765	8,853	8,942	9,031	9,121	9,213	9,305
Total residential connections	3,151	3,183	3,214	3,246	3,279	3,312	3,345	3,378	3,412	3,446
Total non-residential connections	601	607	613	619	625	632	638	644	651	657

Wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	14,396	15,116	15,872	16,666	17,499	18,374	19,293	20,257	21,270	22,334
Total residential connections	5,332	5,599	5,879	6,172	6,481	6,805	7,145	7,503	7,878	8,272
Total non-residential connections	741	778	817	858	901	946	993	1,043	1,095	1,150

Stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	15,107	15,409	15,717	16,031	16,352	16,679	17,012	17,353	17,700	18,054
Total residential connections	5,595	5,707	5,821	5,937	6,056	6,177	6,301	6,427	6,555	6,687
Total non-residential connections	575	587	598	610	622	635	648	660	674	687

Table 2 | Whangarei District Projected Serviced Population

Water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	77,428	78,203	78,983	79,774	80,571	81,378	82,191	83,014	83,843	84,683
Total residential connections	26,253	26,516	26,781	27,048	27,319	27,592	27,868	28,147	28,428	28,713
Total non-residential connections	2,424	2,448	2,472	2,498	2,522	2,548	2,573	2,599	2,625	2,651

Wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	70,683	71,391	72,104	72,824	73,553	74,288	75,033	75,781	76,540	77,306
Total residential connections	24,428	24,672	24,919	25,168	25,420	25,674	25,931	26,190	26,452	26,717
Total non-residential connections	1,751	1,769	1,786	1,804	1,822	1,840	1,859	1,877	1,896	1,915

Stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	87,801	88,943	90,099	91,271	92,456	93,658	94,875	96,109	97,359	98,626
Total residential connections	30,491	30,887	31,289	31,696	32,108	32,525	32,948	33,376	33,810	34,250
Total non-residential connections	2,028	2,055	2,081	2,108	2,135	2,163	2,191	2,220	2,249	2,278

Table 3 | Far North District Projected Serviced Population

Water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	26,182	26,378	26,741	27,024	27,328	27,629	27,925	28,212	28,496	28,770
Total residential connections	9,697	9,770	9,904	10,009	10,122	10,233	10,343	10,449	10,554	10,656
Total non-residential connections	2,288	2,306	2,336	2,359	2,385	2,411	2,436	2,460	2,484	2,507

Wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	31,409	31,689	32,069	32,406	32,720	33,031	33,338	33,635	33,927	34,171
Total residential connections	11,633	11,736	11,877	12,002	12,118	12,234	12,348	12,457	12,565	12,656
Total non-residential connections	2,116	2,134	2,159	2,181	2,204	2,226	2,248	2,269	2,290	2,308

Stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	38,872	39,215	39,680	40,092	40,477	40,858	41,235	41,599	41,956	42,256
Total residential connections	14,397	14,524	14,696	14,849	14,991	15,133	15,272	15,407	15,539	15,650
Total non-residential connections	1,507	1,520	1,538	1,553	1,569	1,584	1,600	1,615	1,629	1,642

Table 4 | CCO Projected Serviced Population

Water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	112,118	113,174	114,403	115,563	116,752	117,949	119,147	120,347	121,552	122,758
Total residential connections	39,101	39,469	39,899	40,303	40,720	41,137	41,556	41,974	42,394	42,815
Total non-residential connections	5,313	5,361	5,421	5,476	5,532	5,591	5,647	5,703	5,760	5,815

Wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	116,488	118,196	120,045	121,896	123,772	125,693	127,664	129,673	131,737	133,811
Total residential connections	41,393	42,007	42,675	43,342	44,019	44,713	45,424	46,150	46,895	47,645
Total non-residential connections	4,608	4,681	4,762	4,843	4,927	5,012	5,100	5,189	5,281	5,373

Serviced Areas

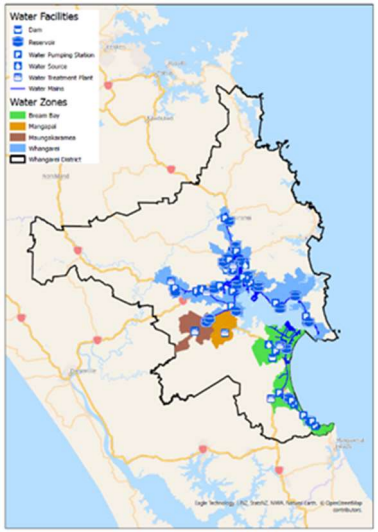
The proposed entity consists of a myriad of small communities, towns and one city with services to support them. While Whangārei and most of the larger towns have all three water services, that is not true of all the regions communities. Some of the smaller communities may have drinking water or wastewater services but for many, water is supplied via on-site tanks collecting from roofs or a private bore and wastewater is managed through septic systems. In the period of this plan, while some services may be expanded for growth reasons, no additional communities will have new water services established.

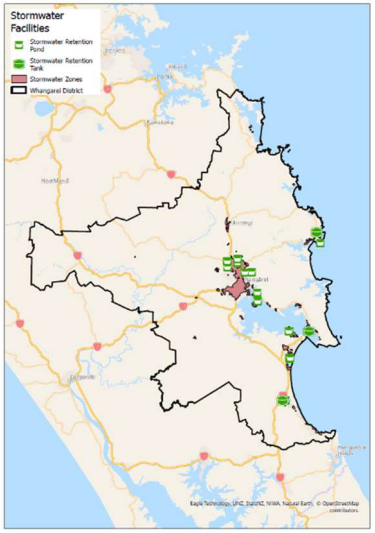
Add service area maps and narrative for each district below

Table 5| Extent of Services – Kaipara District Council

Add map	

Table 6| Extent of Services – Whangarei District Council





Water Supply

Add notes

Wastewater

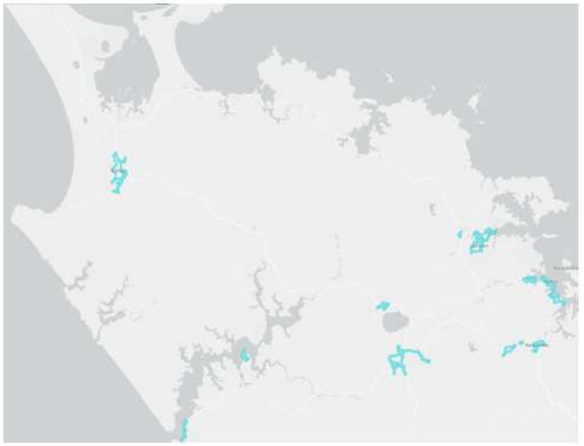
Add notes

Stormwater

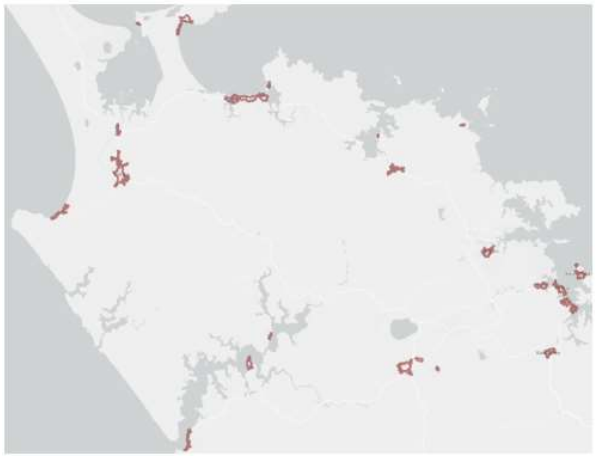
Add notes

Table 7| Extent of Services – Far North District Council

Water



Wastewater



Stormwater

Water Supply

Add notes

Wastewater

Add notes

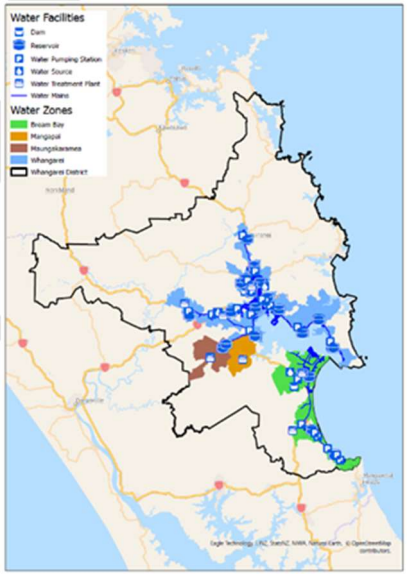
Stormwater

Add notes

Service Areas by Network and Catchment

Water Supply

Table 8| Serviced Areas

Serviced areas (by reticulated network)	Kaipara	Whangārei	Far North
Residential areas (If more than one identify separately)	**5 schemes:** Dargaville (including Baylys Beach) Ruawai Maungatūroto Mangawhai Ginks Gully	**4 Schemes:** Whangarei Bream Bay Maungakaramea Mangapai 	**9 Schemes:** Kaikohe - 1525 Kaitaia - 2028 Kawakawa - 973 Kerikeri - 2670 Okaihau - 130 Opononi/Omapere - 366 Paihia - 1773 Rawene / Omanaia 232 Russell (non-potable)

Serviced areas (by reticulated network)	Kaipara	Whangārei	Far North
Non-residential areas (If more than one identify separately)	Mangawhai Dargaville Maungatūroto Kaiwaka Glinks Gully	Commercial, Industrial, and Rural areas exist within each catchment.	Kaikohe - 412 Kaitaia - 533 Kawakawa - 189 Kerikeri - 519 Okaihau - 53 Opononi/Omapere - 55 Paihia - 433 Rawene / Omanaia 94
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	N/A	N/A	N/A
Areas that do not receive water services (If more than one identify separately)	Te Kopuru Mangawhai Kaiwaka	Rest of the district.	Rest of the district.

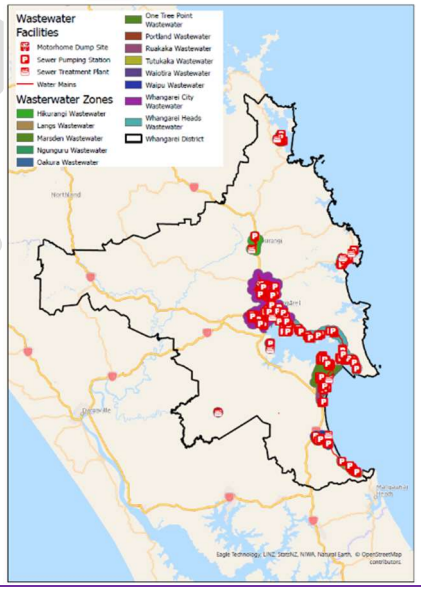
Proposed growth areas • Planned (as identified in district plan) • Infrastructure enabled (as identified and funded in LTP)	Dargaville Mangawhai (including 2 special purpose zones) Maungatūroto Kaiwaka	Whangarei has adopted a Future Development strategy (May 2025). The FDS introduces Priority Development Areas (PDA's) which will cover the most significant development and change in Whangārei. The PDAs are the focus for infrastructure, housing, business public amenities, and transport options. The PDAs include 3 distinct spatial components, being: • City Centre: A key focus of achieving those higher density outcomes and enabling a lively hub. • Primary Growth Corridor – Areas of interest: Te Kamo, Whau Valley, Kensington, the Avenues. Linked to the City Centre above, the Primary Growth Corridor stretches from the Avenues up to Te Kamo. The Corridor creates an area that has significant transport, housing and retail options. Along the corridor, high and medium housing and mixed-use options are enabled. • Urban centres – Areas of interest: Marsden Point / Ruakākā, Raumanga,	Kerikeri / Waipapa Kaikohe Kawakawa

		Onerahi, Tikipunga, and Otangarei. The centres within the Strategy are defined as either existing – with already established communities – or emerging – with key development proposals looking to create communities. These centres will continue to see gradual increases in medium density housing options. Springs Flat / Northern Growth Area: Other element to note is the significant housing growth that will be enabled through the IAF. The Strategy is clear the timing of Springs Flat is inconsistent and does not align with key aspects of the Strategy – which utilises existing services. The WDC District Plan and Future Development Strategy both provide for growth in those communities, and activities have been included in the 30 year capital programme to enable this growth as development is expected to come online.	

Serviced areas (by reticulated network)	Kaipara	Whangārei	Far North
			

Wastewater

Table 99| Serviced Areas

Serviced areas (by reticulated network)	Kaipara	Whangārei	Far North
Residential areas (If more than one identify separately)	**6 schemes** Mangawhai Dargaville Glinks Gully Kaiwaka Maungatūroto Te Kopuru	**9 Schemes** Whangarei City (includes Whangarei heads) Oakura Hikurangi Tutukaka Ngunguru Portland Ruakaka (includes One Tree Point) Waipu (includes Langs Beach) Waiotira 	**17 Schemes** Ahipara 515 Awaniu 113 East Coast (Taipa) 1450 Hihi 159 Kaeo 109 Kaikohe 1434 Kaitaia 1972 Kawakawa 471 Kerikeri 1601 Kohukohu 64 Opononi 366 Paihia 1739 Rangiputa 104 Rawene 200 Russell 521 Whangaroa (no treatment plant) 10 Whatuwhiwhi 805

Serviced areas (by reticulated network)	Kaipara	Whangārei	Far North
Non-residential areas (If more than one identify separately)	Mangawhai Dargaville Glinks Gully Kaiwaka Maungatūroto Te Kopuru	Commercial, Industrial, and Rural areas exist within each catchment.	Ahipara 49 East Coast (Taipa) 154 Hihi 3 Kaeo 64 Kaikohe 308 Kaitaia 452 Kawakawa 102 Kerikeri 333 Kohukohu 23 Matauri Bay ? Opononi 44 Paihia 389 Rangiputa 1 Rawene 39 Russell 82 Whangaroa (no treatment plant) 4 Whatuwhiwhi 19
Areas that do not receive water services (If more than one identify separately)	Baylys Beach Ruawai	Rest of the district.	Rest of district
Proposed growth areas • Planned (as identified in district plan) • Infrastructure enabled (as identified and funded in LTP)	Refer to the water supply section	Refer to the water supply section	Refer to the water supply section

Stormwater

Table 10| Serviced Areas

Serviced areas (by reticulated network)	Kaipara	Whangārei	Far North
Residential areas (If more than one identify separately)	**5 catchments:** Baylys Beach Te Kopuru Dargaville Mangawhai Kaiwaka Stormwater drainage systems in Whakapirau, Glinks Gully, Kelly's Bay, Pahi, Tinopai, Paparoa, Maungatūroto and Matakohe are mostly incorporated into the road network	**11 catchments** Whangarei City Whangarei Heads Langs beach Waipu Ruakaka One Tree Point Maungakaramea Hikurangi Tutukaka Whananaki Oakura 	Ahipara [640] Awanui [115] East Coast Bays [1693] Haruru [466] Hihi [185] Houhora [136] Kaeo [132] Kaikohe [1239] Kaimaumau [24] Kaitaia [1971] Karikari [1305] Kawakawa [464] Kerikeri [2069] Kohukohu [65] Moerewa [424] Ngawha [74] Northern (Waiharara, Kaimaumau, Aupouri) [53] Okaihau [97] Omapere [195] Opononi [250] Opua [299] Paihia [969] Pukenui [139] Rawene [199] Russell [790] Taupo Bay [162] Tauranga Bay [55] Te Haumi [103] Horeke [3] Whangaroa [81]

Serviced areas (by reticulated network)	Kaipara	Whangārei	Far North
Non-residential areas (If more than one identify separately)	Commercial & Industrial areas exists within the urban catchments	Commercial, Industrial, and Rural areas exist within each catchment.	Ahipara [15] Awanui [31] East Coast Bays [107] Haruru [60] Hihi [1] Houhora [6] Kaeo [29] Kaikohe [196] Kaitaia [268] Karikari [13] Kawakawa [56] Kerikeri [352] Kohukohu [12] Moerewa [24] Ngawha [1] Okaihau [10] Omapere [6] Opononi [14] Opua [21] Paihia [211] Pukenui [5] Rawene [16] Russell [49] Taupo Bay [1] Tauranga Bay [1] Whangaroa [2]
Areas that do not receive water services (If more than one identify separately)	N/A	Rest of the district.	Rest of district
Proposed growth areas • Planned (as identified in district plan) • Infrastructure enabled (as identified and funded in LTP)	Refer to the water supply section	Refer to the water supply section	Refer to the water supply section

Levels of Service

Levels of service performance measures are included in the annual reports [2]prepared by each Council and a summary of the mandatory DIA non-financial performance measure for drinking water, wastewater and stormwater are included in Table .

Table 11| Levels of service

Measure and result for FY2023/2024	Kaipara	Whangārei	Far North
WATER SUPPLY			
Median response time for attendance of urgent callouts	Achieved	Achieved	Achieved
Median response time for resolution of urgent callouts	Achieved	Achieved	Not achieved
Median response time for attendance of non-urgent callouts	Achieved	Achieved	Achieved
Median response time for resolution of non-urgent callouts	Achieved	Achieved	Achieved
Total number of complaints (per 1000 connections) about water supply	Achieved	Achieved	Achieved
Total number of complaints (per 1000 connections) received about Council's response to any of these issues.	Achieved	Achieved	Achieved
The percentage of real water loss from our networked reticulation system	Not Achieved – 37%	Not Achieved – 28.06%	Not achieved – 31.0%
WASTEWATER			
Dry weather overflows per 1,000 sewerage connections	Not achieved – 1.62	Not achieved – 3.21	Achieved
Number of abatement notices, infringement notices, enforcement orders and convictions received	Achieved	Not achieved - 2	Achieved

[2] The levels of service status in the 2023/24 Annual Reports of each Council were used

Measure and result for FY2023/2024	Kaipara	Whangārei	Far North
Attendance time	Achieved	Not achieved	Achieved
Resolution time	Achieved	Achieved	Achieved
Complaints (per 1000 connections) for odour	Achieved	Achieved	Achieved
Complaints (per 1000 connections) for system faults	Achieved	Achieved	Achieved
Complaints (per 1000 connections) received for Council's response to issues	Achieved	Achieved	Achieved
STORMWATER			
The number of flooding events that occur in the district	Achieved	Achieved	Achieved
The number of habitable floors affected (per 1000 connections).	Achieved	Achieved	Achieved
The number of abatement notices received.	Achieved	Achieved	Achieved
The number of infringement notices received.	Achieved	Achieved	Achieved
The number of enforcement orders received.	Achieved	Achieved	Achieved
The number of convictions received.	Achieved	Achieved	Achieved
The median response time in an urgent flooding event	Achieved	Achieved	Achieved
Customer service requests received (per 1000 connections) for single network issues	Achieved	Achieved	Not achieved

Responding to Growth

Growth is being experienced right across Northland with increases seen in many of the factors, including population, number of businesses, GDP, and tourism. Each district has distinct areas that are contributing to the growth – Kerikeri/Waipapa in the Far North, Northern Growth Corridor, Marsden and Bream Bay in Whangārei and Mangawhai in the Kaipara with specific infrastructure growth projects planned for each area. Planning for growth is currently at different stages for each council, but all have a focus on long-term planning using tools such as the Infrastructure Strategy, Future Development Strategy, Spatial Planning, Development Contributions Policies and Asset Management practices to build the 30-year view of all that is required from the water services to allow the growth aspirations to flourish.

This plan includes expected demand in each of the water services over the 10-year period of the plan

Looking at what we have

Assessment of Current Condition and Remaining Life of the Water Services Network

The importance of understanding asset health is recognised by all councils, and each has been working towards having an appropriate level of asset condition data available to support informed decision-making.

The tables below describe the current state of each councils assets.

Table 12| Average age and condition of Water Supply assets

Parameters	Kaipara	Whangārei	Far North
Average age of Network Assets	36.4	24.6	35
Critical Assets	identified	identified	Critical asset types are known, but not all individual assets have criticality grades assigned.
Above ground assets			
▪ Treatment plant/s	5	7	9
▪ Percentage or number of above ground assets with a condition rating	72.8	95%	46
▪ Percentage of above –ground assets in poor or very poor condition	5	15%	36
Below ground assets			
▪ Total Km of reticulation	148	799	390
▪ Percentage of network with condition grading	91.3	100	99
▪ Percentage of network in poor or very poor condition	31.3	20	14

Table 13| Average age and condition of Wastewater assets

Parameters	Kaipara	Whangārei	Far North
Average age of Network Assets	23.9	36.3	34
Critical Assets	identified	identified	Critical asset types are known, but not all individual assets have criticality grades assigned.
Above ground assets			
▪ Treatment plant/s	6	9	16
▪ Percentage or number of above ground assets with a condition rating	94.6	95	60
▪ Percentage of above –ground assets in poor or very poor condition	2.5	15	32
Below ground assets			
▪ Total Km of reticulation	221	666	449
▪ Percentage of network with condition grading	96.4	100	98
▪ Percentage of network in poor or very poor condition	8.3	20	23

Table 14| Average age and condition of Stormwater assets

Parameters	Kaipara	Whangārei	Far North
Average age of Network Assets	26.6	30.7	37
Critical Assets	Identified	Identified	Critical asset types are known, but not all individual assets have criticality grades assigned.

Above ground assets			
▪ Treatment plant/s	0	N/A	N/A
▪ Total Km of open drains	78	153.19	42
▪ Percentage or number of above ground assets with a condition rating	14.8	95	81
▪ Percentage of above –ground assets in poor or very poor condition	0.5	20	19
Below ground assets			
▪ Total Km of reticulation	101	824	140
▪ Percentage of network with condition grading	94.6	11	79
▪ Percentage of network in poor or very poor condition	8.8	20	12

Condition Assessment Methodology

The condition assessment of an asset helps in determining the likelihood of failure. When this is combined with the age of the assets and the consequence of failure (criticality), a proactive approach to developing a forward works programme that manages the risk of failure and delivers value for money intervention can be undertaken.

Condition assessment for all three waters assets is a work in progress for each district council, with varying levels of knowledge about the current asset condition limiting informed decision making.

Condition ratings are generally following the same 5-level approach with all districts using some form of variation to the 1 to 5 grading system where 4 = poor and 5 = very poor condition.

The proposed WSCCO will implement a broader programme of condition assessment that improves the knowledge of the asset portfolio. Current data gaps will be filled and the resultant asset information used to inform the planning for renewals so that failures are minimised and continuous service to our customers is maintained.

The WSCCO will develop and implement condition assessment programmes that are driven by industry best practice, so a proactive approach drives value for money investment and decision making. Within this will also be an updated criticality assessment.

Asset criticality will be streamlined across the three districts following the WSCCO establishment as there are varying methods of assessment used today. Critical assets can and may include water and wastewater treatment plants, raw water sources, and wastewater discharge areas. There is also a Northland Lifelines group that has criticality as a lens over the region's infrastructure, which includes three waters. This lens is aligned to national frameworks that the WSCCO will incorporate into its criticality assessment process.

Stormwater

Kaipara

For KDC, CCTV work in recent years has covered most of the piped stormwater network. There are significant amounts of open drains throughout the network, especially in Mangawhai where open swales and attenuation ponds are widely used.

Whangārei

For WDC the assets are currently being managed in a mode of failure, where on average 20% are in poor or very poor condition. This is a strategy that attempts to manage the risk across the network so there is not catastrophic network level and asset level failure occurring. This is not an ideal approach in terms of the required investment though, as proactive, asset management lead investment and intervention, leads to right place, right time, right costs, but is acceptable given the lack of network knowledge.

Far North

CCTV survey is available for approximately 8% of the stormwater network and is used to inform planning decisions. As CCTV survey is expensive, it is generally targeted at pipes that have a known issue, a high consequence of failure, or are made from a vulnerable pipe material.

There is an NRC flood protection scheme in Kaitaia and over 50 flood installed at outfalls from the urban drainage system to the rivers and spillways. These are critical in helping to prevent flooding of the urban drainage areas. Kaitaia also has a number of large diameter pipes that were installed on the alignment of the old stream systems and run through private property close to buildings.

Asset Management Approach

Asset Management Framework

Each council is committed to implementing asset management best practice and intend to align with principles of the ISO 55000 Asset Management Standards and the International Infrastructure Management Manual. Existing asset management documents held by each council such as asset management policies, strategies and plans will be used to develop and agree a consolidated asset management framework for the region.

The current long-term plans (LTP) for each district discuss asset management in broadly similar terms and the proposed entity will develop its asset management approach as an amalgamation of the best practices of each where they exist. It is intended to follow the ISO 55000 practises – this framework for effective asset management includes the principles, terminology and requirements for establishing and implementing an overall asset management system focused on optimising the value derived from assets during their lifecycle. Improved decision-making, enhanced efficiency and strategic alignment are all expected to be achieved with this approach.

Asset management Information Systems

A range of asset management information systems, tools and processes are used for activities such as asset and financial data management, deterioration and capacity modelling, technical standards, risk management, investment planning, project management, work orders and service requests. A plan will be developed by the Councils to transition to a unified suite of asset management information systems, tools and processes.

In isolation all councils are in the process of evaluating and implementing a variety of asset management tools to cover a number of areas including data base management, ticket to work, risk, work order management, modelling, as well as tools that support asset management such as project management, deterioration modelling, critical path programming, GIS. Part of their more detailed implementation plan will be to review all systems, including an evaluation of nationwide industry trends and map a course for unified best practice from all systems currently under evaluation or delivery.

Tools utilised today by the three districts for asset management and planning today include:

Asset Management Plan	Activity Management Plan	Infrastructure Strategy	Asset Management systems
Engineering Standards	Finance Strategy	Investment Management Framework	Community outcomes and expectations
Long-term Plan	Asset data (incl SCADA)	Technologies	Hydraulic models

Asset Management Maturity

Asset management maturity is a way of assessing and benchmarking an organisations asset management plans, systems and performance against the organisations strategic drivers with an industry best practice approach. FNDC and WDC measure asset management maturity to the ISO55000 series international standards as described in the IIMM, the International Infrastructure Management Manual. KDC has not undertaken the maturity assessment.

The framework describes asset management maturity using the following scale:

Aware	Basic	Core	Intermediate	Advanced
Identified need for asset management & evidence of intent to progress	*Identified the means to achieve requirements & demonstrating these are being progressed*	*Can demonstrate consistently embedded asset management practice*	*Can demonstrate systematically consistently optimising AM practice*	*Can demonstrate leading practice & achievement of maximum value from assets*

It is important to note that it is not necessary for all Councils' activities to reach an advanced level of maturity, but that the level of asset management maturity is appropriate for the assets and risks that are being managed.

Existing Service Delivery Mechanisms

Kaipara

The operations and maintenance of all three water services are contracted to a 3rd party where operations of the treatment plants and all network assets are included in the contract. Contract management, asset management, capital delivery, compliance and infrastructure planning (including consenting) are all in-house activities for council. The current contract runs until 30 June 2026 and the future of this contract will be an early negotiation point for KDC.
While stormwater services will continue to be delivered in-house it is anticipated that the CCO will contract many of these services from council.

Whangarei

The operations and maintenance of all three water services are contracted to two external 3rd parties. Operations of the treatment plants are not included in the contract, instead managed by a skilled internal council team. Contract management, asset management, capital delivery, compliance and infrastructure planning (including consenting) are all in-house activities for council. The current contracts run until 30 June 2026, and the future of these contracts will be an early negotiation point for WDC.
While stormwater services will continue to be delivered in-house it is anticipated there is an opportunity for the CCO to contract many of these services from and to council. Benefit would be around reticulation of stormwater and the maintenance and renewal of those systems, where the CCO contract mechanisms would bring increased skill and resources to manage underground pipes. The impacts to Councils' other activities (Parks & Recreational Services and Transportation in particular) needs careful consideration when deciding the best delivery approach and outcomes.

Far North

Currently 3 waters Operations and Maintenance (O&M) is provided by a contracted 3rd Party. The contract model is an alliance model with shared responsibilities for work programming and delivery through the alliance. While all routine and reactive maintenance and operations goes through the alliance, capital works is delivered by a mix of alliance and external contracted parties, at the sole discretion of FNDC. This contract currently has 2 years to run.
For the remaining 2 years the proposal (jointly agreed) is to move from an alliance contract to a NZS 3917 (2013) base contract. This change is currently under negotiation with the contractor.
While the current negotiation is transferring from alliance Contract form to in NZS 3917 this will be only for the period to 2027. Beyond this there are 3 delivery options to be considered

1. Status quo – Both Operations and Maintenance are provided under contract by a 3rd party provider under a model, yet to be decided.
2. All Operations and Maintenance are insourced by the council and capital works is put to tender on a panel basis.
3. Hybrid (preferred) - Where Operations is insourced and Maintenance is outsourced, either to a Tier 1 provider or a series of Tier 2 and 3 providers. Capital Works is put to tender on a panel basis. Maintenance could be split between planned and reactive with planned being done by insourced teams and reactive being done by outsourced teams

Statement of Regulatory Compliance

Kaipara

Add summary

Whangarei

Add summary

Far North

As of 25 June 2025, all of Council's 8 water treatment plants and 4 of Council's 15 wastewater treatment plants were fully compliant for the preceding 12 months. There are 6 wastewater (5 treatment and 1 network) and 1 water abatement notices outstanding.

Table 15| Drinking Water Compliance Summary

Parameters	Kaipara	Whangārei	Far North
Drinking water supply			
• Bacterial compliance (E.coli)	Yes	Yes	Yes
• Protozoa compliance	Yes	Yes	Yes
• Chemical compliance	Yes	Yes	Yes
• Boiling water notices in place	0	0	0
• Fluoridation	N/A	Yes	Kerikeri & Kaikohe
• Average consumption of drinking water	Dargaville 263 Maungturoto 250 Ruawai 127 Glinks Gully 71 Mangawhai 561 (excl campground)	331.5	279.9 Litres per day
• Water restrictions in place (last 3 years)	Yes	No	Yes
• Firefighting sufficient	Yes	Yes	Yes
Resource Management			
• Significant consents (note if consent is expired and operating on S124)	Water supply take 7 Water discharge N/A Water storage 1	Water supply take 13 Water discharge 7	Water supply take 4 Water discharge N/A
• Expire in the next 10 years	5	18	4
• Non-compliance:			
• Significant risk non-compliance	0	0	0
• Moderate risk non-compliance	eight low to moderate risk non-compliances	0	0
• Low risk non-compliance	0 (1 to be submitted late 2025)	0	0
• Active resource consent applications		1 – WTP Ahuroa	0

• Compliance actions (last 24 months): • Warning • Abatement notice • Infringement notice • Enforcement order • Convictions	0 0 0 0 0	 None None None None None	 0 1 0 0 0

Table 16| Wastewater Compliance Summary

Parameters	Kaipara	Whangārei	Far North
Resource Management			
• Significant consents (note if consent is expired and operating on S124)	Wastewater discharge water/land/air 7 Network 0	Wastewater discharge water/land/air 24 Network 0	Wastewater discharge water/land/air 13 Network 0
• Expire in the next 10 years	3	19	5

• Non-compliance:
  • Significant risk non-compliance
  • Moderate risk non-compliance
  • Low risk non-compliance
	
	0
	3
	5
		
		0
		0
		2
			
			0
			6
			9

• Active resource consent applications	0 (1 to be submitted late 2025)	0	0

• Compliance actions (last 24 months):
  • Warning
  • Abatement notice
  • Infringement notice
  • Enforcement order
  • Convictions
	
	0
	1
	2
	0
	0
		
		0
		0
		2
		0
		0
			
			0
			0
			5
			0
			0

Table 17| Stormwater Compliance Summary

Parameters	Kaipara	Whangārei	Far North
Resource Management			
• Significant consents (note if consent is expired and operating on S124)	Stormwater discharge 1 Network 0	Stormwater discharge 48 of which 7 are under S.124 Network 0	Stormwater discharge [number] Network [number]
• Expire in the next 10 years	0	29	[number]

• Non-compliance:
  • Significant risk non-compliance
  • Moderate risk non-compliance
  • Low risk non-compliance
	0	0
		0
		0
			[number]
			[number]
			[number]

• Active resource consent applications	1	4 network wide discharge consent applications	[number/detail consent]

• Compliance actions (last 24 months):
  • Warning
  • Abatement notice
  • Infringement notice
  • Enforcement order
  • Convictions
	0	0
		0
		0
		0
		0
		0
			[number]
			[number]
			[number]
			[number]
			[number]

Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements

FNDC have created a 3 year LTP instead of the normal 10 years due to the severe weather events in 2022 and 2023. This shortened plan is focussed on recovering from the weather events with repair of the transport networks being the number one priority. This shortened planning period and focus on storm recovery resulted in less confidence in the longer-term waters investment requirement. To address this, FNDC has recently completed an assessment of water infrastructure capital investment requirements over the next 30 years based on a similar prioritisation framework to that used for the previous waters reform planning. Investment in health & safety, compliance and critical asset renewals was the highest priority, followed by current level of service, non-critical asset renewal and targeted growth.

KDC also prepared a 3-year LTP focussing on recovery from the weather events and returning to expected programmes of work disrupted by the weather events and subsequent emergency works. To establish the 10-year investment programme required for this plan KDC assessed the infrastructure requirements over the next 30-year period to ensure the priority items would be addressed in the appropriate timeframe.

WDC prepared a 10-year LTP with an investment programme that is included that is included in this plan

The combined investment programme for the CCO is included in the tables below. The values are shown in $000.

Table 19 | CCO investment programme

Projected investment in water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	20,320	15,023	14,041	19,556	2,680	1,346	4,350	4,041	2,812	795
Capital expenditure - to improve levels of services	13,808	22,449	30,378	16,871	16,881	23,723	10,125	7,101	1,572	3,813
Capital expenditure - to replace existing assets	12,839	14,927	32,187	32,864	21,178	14,076	15,401	20,578	21,086	22,081
Total projected investment for drinking water	46,966	52,399	76,607	69,290	40,738	39,145	29,876	31,719	25,470	26,689
Wastewater										
Capital expenditure - to meet additional demand	8,270	43,425	21,623	41,662	44,224	23,840	23,280	8,035	8,035	7,725
Capital expenditure - to improve levels of services	30,122	25,330	36,679	20,807	21,984	13,962	10,937	8,135	5,056	6,090
Capital expenditure - to replace existing assets	14,046	16,158	16,016	18,739	14,897	14,724	16,024	17,713	19,830	20,140
Total projected investment for wastewater	52,437	84,913	74,318	81,208	81,106	52,527	50,240	33,883	32,921	33,955
Total projected investment in water services - CCO	99,403	137,313	150,925	150,498	121,844	91,672	80,116	65,603	58,392	60,644

Table 20 | Kaipara stormwater investment programme

Projected investment in water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Stormwater										
Capital expenditure - to meet additional demand	206	526	538	3,026	1,462	746	703	717	609	620
Capital expenditure - to improve levels of services	1,730	3,050	1,506	1,431	1,575	1,837	1,874	2,509	2,557	4,590
Capital expenditure - to replace existing assets	206	684	699	550	562	574	1,171	1,195	1,217	1,241
Total projected investment for stormwater	2,141	4,259	2,743	5,007	3,599	3,158	3,748	4,420	4,383	6,451

Table 21 | Whangārei stormwater investment programme

Projected investment in water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Stormwater										
Capital expenditure - to meet additional demand	937	1,708	2,522	819	747	762	778	793	808	722
Capital expenditure - to improve levels of services	4,507	1,265	1,487	1,246	1,139	1,163	1,186	983	1,099	852
Capital expenditure - to replace existing assets	1,683	1,634	1,671	1,655	1,691	1,726	1,761	1,904	2,086	1,440
Total projected investment for stormwater	7,127	4,607	5,680	3,720	3,577	3,651	3,725	3,680	3,993	3,014

Table 22 | Far North stormwater investment programme

Projected investment in water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Stormwater										
Capital expenditure - to meet additional demand	-	-	-	-	-	-	-	-	-	-
Capital expenditure - to improve levels of services	8,908	1,251	1,926	3,845	3,947	3,270	5,177	8,311	7,647	5,892
Capital expenditure - to replace existing assets	2,486	1,198	1,936	3,779	4,739	2,780	4,647	3,361	6,786	9,794
Total projected investment for stormwater	11,394	2,448	3,862	7,625	8,686	6,050	9,824	11,673	14,433	15,686

Historical delivery against planned investment

These tables summarise capital delivery of three waters investments over the last 7 years compare to what was planned in the LTP for that period. Delivery trends show that while significant investment has been made, the anticipated level of investment has generally not been fully delivered. Multiple factors impact the ability to deliver on planned programmes with the most notable being:

- Resourcing constraints both internally and externally as councils often compete for the same resources
- Complexity of design and planning activities taking longer than may have been anticipated
- Funding uncertainties and redirection of funds as occurred during the adverse weather events

The dollar values in the tables are shown in $000. Please note values for FY2024/25 actual investment are provisional and may change as the annual report is finalised.

Table 23 | Investment programme – Joint CCO water and wastewater

Delivery against planned investment	Renewals investment for water services				Total investment in water services			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in the relevant LTP)	$26,260	$43,360	$49,508	$119,128	$84,180	$153,698	$127,314	$365,192
Total actual investment	$23,522	$38,213	$36,435	$98,170	$55,520	$97,269	$103,632	$256,421
Delivery against planned investment (%)	**89.6%**	**88.1%**	**73.6%**	**82.4%**	**66.0%**	**63.3%**	**81.4%**	**70.2%**

Table 24 | Kaipara stormwater investment programme

Delivery against planned investment	Renewals investment for water services				Total investment in water services			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in the relevant LTP)	$100	$421	$350	$871	$2,081	$3,009	$1,622	$6,712
Total actual investment	$ 89	$248	$ 57	$394	$2,436	$1,752	$1,335	$5,523
Delivery against planned investment (%)	**89.0%**	**59.9%**	**16.3%**	**45.2%**	**117.1%**	**58.2%**	**82.3%**	**82.3%**

Table 25 | Whangārei stormwater investment programme

Delivery against planned investment	Renewals investment for water services				Total investment in water services			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in the relevant LTP)	$1,683	$3,033	$4,005	$8,721	$7,127	$6,196	$5,637	$18,960
Total actual investment	$1,346	$3,394	$2,162	$6,902	$5,163	$4,068	$3,416	$12,647
Delivery against planned investment (%)	**80.0%**	**111.9%**	**54.0%**	**66.7%**	**79.1%**	**65.7%**	**60.6%**	**66.7%**

Table 26 | Far North stormwater investment programme

Delivery against planned investment	Renewals investment for water services				Total investment in water services			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in the relevant LTP)	$2,486	$3,262	$204	$5,952	$11,394	$6,087	$5,238	$22,719
Total actual investment	$ 0	$1,953	$606	$2,559	$3,388	$4,852	$3,006	$11,246
Delivery against planned investment (%)	**0%**	**59.9%**	**297.1%**	**43.0%**	**29.7%**	**79.7%**	**57.4%**	**49.5%**

Part C: Revenue and financing arrangements

Revenue and charging arrangements

Current Water Services Charges

The current charging mechanism for water services are included in detail in each council's current Long-term Plan (2024-2034 for WDC and 2024-2027 for KDC/FNDC) in the Revenue and Financing Policy. Below is a summary of the 2024/25 financial year charges.

Table 26 | Current water services charges

Parameters	Kaipara	Whangārei	Far North
Drinking water supply	▪ Water use charge = $205.16 per meter, up to and including 1st m3 then $5.14 /m3 (treated and untreated) ▪ Capable to connect =$153.87	▪ Volumetric consumption charge per cubic meter of water consumed: Water use charge = $3.38 /m3 (treated) ▪ Supply charge per SUIP = $40.00 ▪ Availability charge per SUIP $40.00 ▪ Uniform Charge per SUIP $555.00 ▪ Backflow preventer charges based on nature of connection. ▪ Significant water increases in year 3 (20%) have been factored into the LTP ▪ Fees and charges for connections, meter testing, special meter readings, tanker filling points	▪ Public good charge per rating unit $15 ▪ Targeted rate per scheme (int & depn) charged per SUIP ▪ Water use charge @$4.40 per cubic meter ▪ Non metered potable rate $1395.21
Wastewater	▪ Public good charge in general rates ▪ Targeted rate SUIP basis – Connected = $1,362.83 and Capable to Connect = $1,022.12 ▪ Pan charge of $681.41 for each pan after the second for each non-residential rating unit	▪ Targeted rate differential basis. Residential pay per SUIP $928.00. Other premises pay fixed charge per pan $601.00. ▪ ▪ Fees and charges for Septage treatment/tradewaste	▪ Public good charge per rating unit $15 ▪ Targeted rate per scheme (int & depn) charged per SUIP ▪ Targeted operational rate across district $867.00 per connection and $520.00 for additional pans
Stormwater	▪ Capex is per scheme ▪ Opex is harmonised ▪ Per dollar of land value in each scheme as follows: ▪ $0.0007857 – Baylys Beach ▪ $0.0012329 – Dargaville ▪ $0.0005453 – Kaiwaka ▪ $0.0005635 – Mangawhai ▪ $0.0003896 – Te Kopuru ▪ Public good charge per rating unit $xx	▪ Year 1 (24/25) of LTP debt funded the stormwater activity. ▪ Year 2 (25/26) AP introduced a district-wide targeted rate for all rating units charged at $79 per SUIP. Balance of activity funded by debt in the short-term. LTP assumed targeted rate would fully fund activity.	▪ Public good charge per rating unit $10.00 ▪ Targeted on differentials of Commerical $375.00 and General $187.50

Possible charges under the CCO

The financial model is prepared on establishing initial revenue charges on a district basis with price harmonisation to be considered after 2030.

Trade waste charges will be introduced for Kaipara

Differential charging for pan numbers will continue

Volumetric charging for water supply will continue

Scheme specific charges will need to be reviewed for FNDC As part of rating review process in the next LTP period.

The level of funding for wastewater and water for WDC will likely reduce from status quo/LTP due to a different funding model. Historically WDC has collected targeted rates over and above what is required to fund the activity in order to build a reserve to fund large capital projects. It is envisaged that revenue will be set at a level sufficient to fund operations and renewals, while Growth and Level of Service will be funded by debt. This change in funding has been reflected in the model.

Stormwater

Charging mechanisms for stormwater can continue as each Council will be maintaining this activity as an in-house business unit.

Parameters	Kaipara	Whangārei	Far North
Stormwater	In the next LTP period consideration will be given to ensuring those that have the benefit of stormwater assets are include in the targeted rate.	The LTP assumed this activity would be fully funded by a new targeted rate over the 10 years of the LTP. The 25/26 Annual Plan introduced a targeted rate that partly funded the activity, with the balance being funded through debt.	In th next LTP period, review of funding mechnism will be undertaken to ensuring ratepayers deriving the benefit of the stormwater catchment are apprpriatley funding the activity

Water services revenue requirements and sources

Councils will potentially provide billing and collection services for the first year until the proposed entity has established its billing system. The CCO is unable to charge rates as the Councils do today meaning for water and wastewater services, there will be a transition from rates to charges for the users.

Water supply activities will be charged as volumetric for usage, with connection fees and other charges set each year.

Wastewater activities will continue to be charged at a fixed fee per connection and capable connection with trade waste charges and pan fees continuing (including introducing trade waste charges to Kaipara).

The proposed entity is projected to derive sufficient water supply and wastewater revenue to meet operating expenses including depreciation and debt servicing from its operational commencement date.

Full transition to direct customer billing by the CCO is expected.

Other potential revenue sources include:

- Subsidies and Grants: funding provided by government bodies to support water infrastructure projects
- Development and financial contributions: charged to developers for growth-related capital expenditure

Stormwater

Will need a section from each Council on this

Revenue sources for stormwater can continue as each Council will be maintaining this activity as an in-house business unit.

Kaipara

Kaipara will generate sufficient revenue from stormwater rates and charges to meet operating expenses including depreciation and debt servicing but will require average annual increases of xx % across the period of this plan to achieve that.

Whangārei

Funding for stormwater will be generated via a district-wide targeted rate for all rating units, as well as a debt component.

Far North

FNDC will review the current rating mechanism used for funding stormwater services in the region as part of the next LTP process.

The affordability of projected water services charges for communities

According to international standards, up to 4.5% median household income is considered "affordable" for water user charges. As shown in the table below, the 10-year projection will cost between 3.0% and 3.4% collectively of the median household income, which is within affordability limits, bearing in mind this range does not include stormwater charges.

Sustainability measures: Revenue sufficiency	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Water services charges as % of household income	3.0%	3.1%	3.2%	3.4%	3.3%	3.3%	3.3%	3.2%	3.2%	3.1%

Affordability is relevant across all of Northland. While there is a median income determined for each district, within all districts there is disparity within communities for income levels and therefore affordability at a generalised level does not tell the full picture.

The actual impact on individual customers will depend on the specific methods of charging determined by the proposed entity and then variations due to usage and future revenue and funding strategies.

The economic regulations the proposed entity will operate under are also being finalised and will be brought into the modelling factors once full known.

Stormwater

Kaipara

Stormwater charges for Kaipara ratepayers will be reviewed to ensure those benefitin from the stormwater assets are contributing to the rates collected.

Whangārei

Far North

FNDC will review the current rating mechanism used for funding stormwater services in the region as part of the next LTP process.

Funding and financing arrangements

The proposed entity will incur debt to help pay for infrastructure. It is intended that operational revenue will cover operational costs and renewal activities while debt will be used to fund activities in the capital programme addressing growth and level of service improvements required.

- Total net borrowing will increase from $35m (40% of combined revenue) in FY24 to $305m (252% of combined revenue in 2034/35. This is within the legislated borrowing limit of 500% and also within the preferred limit of 350%.
- WDC has historically collected targeted rates higher than the Activities costs in order to create a reserve to fund large capital projects and minimise Council debt. With this proposed regional entity, this funding approach will change to collect revenue sufficient to fund operational costs and renewals, with the use of debt for growth and level of service projects. The proposed entity will develop strategies and policies to support this financial strategy.
- Alan to include something about $100m debt. Need to consider any remaining reserve balance (if any) and also any rating act considerations?
- Debt repayments will likely be in line with current policies from each council until such time as harmonisation is introduced. This will ensure net debt as a percentage of revenue allows head room for unplanned capital investment. Debt repayments will be dependent on the cash surplus generated by the entity. Once established a Financial Strategy will determine the long term approach to debt, to ensure revenue is set at a level sufficient to meet the debt strategy. Debt repayment is likely to be repaid over the lift of the asset(s).
- The financial strategy of the proposed entity is likely to rely on operating revenue to fund operating expenditure including depreciation and the cost of servicing debt. The funding of depreciation is considered a proxy to providing funding for capital expenditure renewals. Other capex is likely to be funded by debt, development contributions and potentially subsidies and grants.
- Policies for Treasury activity and Revenue and Financing are yet to be established. Once established they will provide the guidance for the water organisation
- The tenor of new borrowings will be based on commercial funding agreements between the CCO and Councils (as the borrower) and LGFA or other funders (as the lender).
- Debt is expected to remain ringfenced for each Council until such time as harmonisation is achieved.

Internal borrowing arrangements

Not applicable to water and wastewater services delivered by the proposed entity – each council's internal debt in relation to these water services will be converted to external debt for the proposed entity.

Stormwater

Kaipara

Prior to the date of transition to the proposed entity, KDC will attain a credit rating, thereby increasing the debt to revenue ratio from the current 175% to 280%. This is necessary to support both the capital programme for the stormwater activity and the ring-fenced debt responsibility from the proposed entity until harmonisation is introduced.

Whangārei

Stormwater will be funded by targeted rates and debt within WDC. Internal borrowing arrangements may occur in the future. If so, this will be ringfenced and shown separately as part of the Stormwater activity.

Far North

Determination of debt attributed to water services

All debt within the proposed entity will be attributable to water services

Each Council currently allocates debt or reserves against the activity that generated that debt or reserve and therefore those values are known for each of the water services.

Establishment costs, including operational costs incurred by any of the Council's as agreed by the Council's Commitment Agreement will be included in the debt calculations at the transition date and recovered from the proposed entity on its establishment.

Kaipara

Whangārei

Whangarei has historically over funded water and wastewater to create reserves to fund future large capital expenditure projects. This approach was part of Council's overall funding strategy. Debt was managed at a Council level, with the use of internal borrowing where appropriate. This puts WDC is a somewhat different position to KDC and FNDC at inception of the proposed entity. ALAN – to explain $100m debt position.

Far North

Insurance arrangements

Needs more detail

Insurance costs for council assets have risen significantly over the last few years and consideration must be given to the most appropriate level of insurance for each asset class. There is potential inability to insure some areas and already below ground assets are self-insured. This may need to be considered for some above ground assets as well.

An insurance strategy will be developed over the next few years to find the most viable option concerning water services assets insurance cover and levels of self-insurance. Exiting insurance held by participating councils will be continued until the new strategy is complete

PBE IFRS 17 Insurance Contracts for public sectors was issued in June 2023. The group has not assessed in detail the effect of the new standard

Would the Riskpool exposure stay with Council?

Part D: Financial sustainability assessment

Confirmation of financially sustainable delivery of water services

Financially sustainable water services provision

The proposed entity will be financially sustainable from day 1 of the establishment of the entity.

- There will be sufficient revenue to deliver water and wastewater services, including servicing of debt in the 10-year capital works programme
- The 30-year capital programme includes sufficient investment to meet current and projected level of service, regulatory requirements and provide for growth
- The proposed entity will have additional debt headroom for unexpected and unplanned expenditure as it intends to work to a debt to revenue ratio of 350% at a combined level wherever possible

The individual councils can demonstrate financial sustainability with the proposed 10-year plans and therefore the combined entity will also.

KDC will attain a credit rating prior to the transition date, thereby increasing the Council debt to revenue ratio limit from the current 175% to 280%.

Risks and constraints to achieving financially sustainable delivery of water services

Each council faces risk on its own and so will the CCO

Risk	Mitigation
The level of Development Contributions (DC) expected in the next decade. The majority of the existing debt in KDC relates to previous and continuing growth projects, particularly in Mangawhai. There are current developments with over 1000 lots coming online from FY26	Monitoring levels of DC revenue collected prior to signing physical works contracts for next stage expansion
Legislation and regulations are yet to be finalised so assumptions may be invalid	Councils are already working with DIA, central government and regulators to understand the progress and change coming
The costs for large capital projects about to be contracted are significantly higher than planned for requiring increased borrowing	Ensuring the combined capital programme is a living document with regular review and early consideration given to alternative plans
Continued risk of adverse weather events being more intense and more infrequent leading to high unexpected costs or re-prioritisation of projects as a need becomes urgent	Maintain debt headroom to allow for unforeseen circumstances
FNDC programme of works to complete IAF (Infrastructure Acceleration Fund) works in years 2&3 prior to the CCO being operational may not be completed causing a capacity issue for capital delivery in the first years of CCO operations	FNDC are structuring and resourcing this activity to ensure all works can be delivered in the expected timeframe

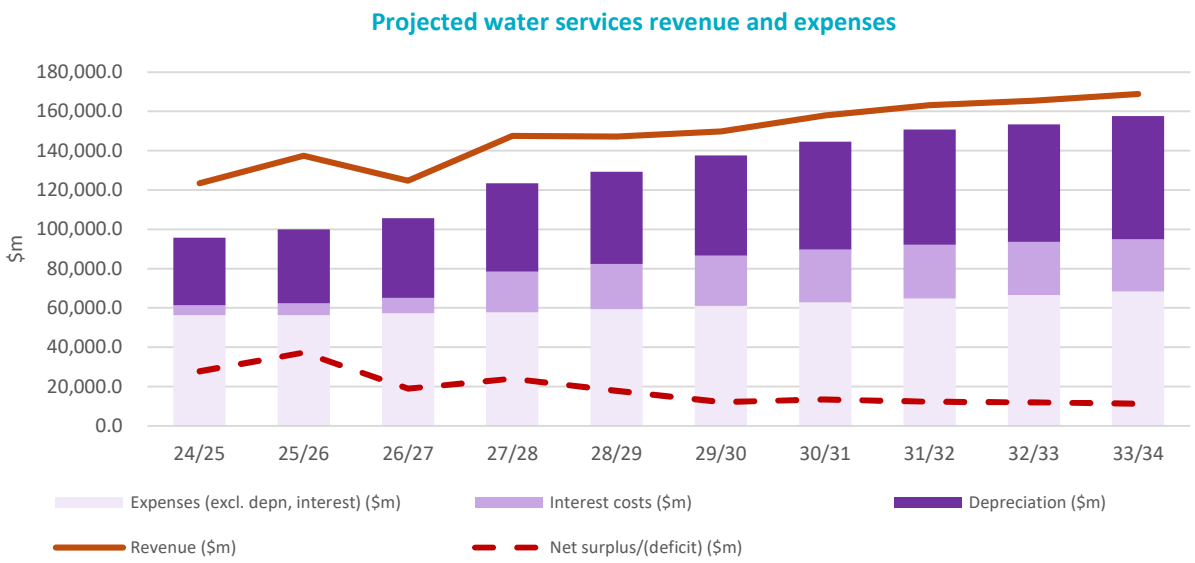
Continued and increased risk of asset failure where capital works are pushed beyond the 10 year horizon in the investment programme in order to meet sustainabilty requirements	Ensuring the combined capital programme is a living document with regular review and early consideration given to alternative plans Continued improvement in asset condition data

Financial sustainability assessment - revenue sufficiency

Assesment of revenue sufficiency

These charts and tables are for the water and wastewater services to be delivered by the CCO and demonstrate revenue sufficiency is achieved. The values in the tables are shown in $000.

Projected water services revenues cover the projected costs of delivering water services



Average projected charges for water services over FY2024/25 to FY2033/34

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average drinking water bill (including GST)	1,556	1,653	1,753	1,958	1,985	2,038	2,085	2,120	2,147	2,165
Average wastewater bill (including GST)	1,735	1,830	1,885	1,909	1,918	1,963	1,981	1,997	2,001	2,005
Average charge per connection including GST	3,292	3,483	3,638	3,866	3,904	4,001	4,066	4,116	4,148	4,170
Projected increase	8.0%	5.8%	4.5%	6.3%	1.0%	2.5%	1.6%	1.2%	0.8%	0.5%
Water services charges as % of household income	3.0%	3.1%	3.2%	3.4%	3.3%	3.3%	3.3%	3.2%	3.2%	3.1%

Total number of connections for each water service for each district has been used in these calculations with growth in connections projected at an average of 1.4% per annum. Median household income has been assumed as increasing between 1 and 2.5% per annum averaged at 2.2% per annum off the June 2024 value available from Infometrics.

Projected operating surpluses/(deficits) for water services

Operating surplus ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) excluding capital revenues	778	4,205	6,855	4,210	2,518	107	(1,088)	(2,267)	(247)	(292)	14,778
Total operating revenue	96,481	104,222	112,432	127,680	131,751	137,684	143,392	148,416	153,089	157,268	1,312,414
Operating surplus ratio	0.8%	4.0%	6.1%	3.3%	1.9%	0.1%	(0.8%)	(1.5%)	(0.2%)	(0.2%)	1.1%

Cash surpluses will be applied to investment in the renewals programme, loan repayments and servicing debt.

Projected operating cash surpluses for water services

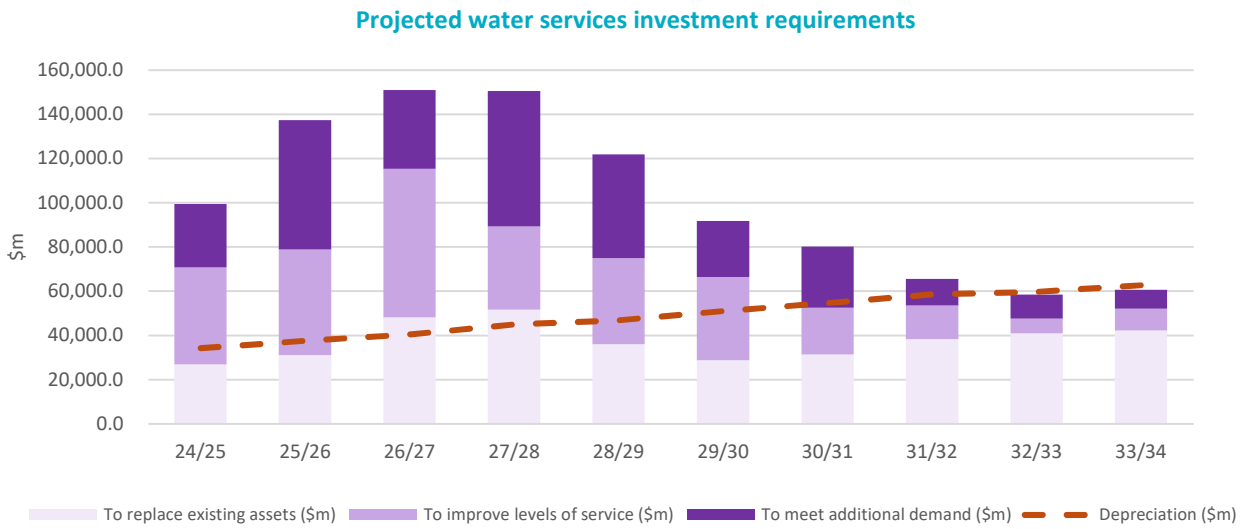
Operating cash ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) + depreciation + interest costs - capital revenue	40,162	47,824	55,170	69,934	72,400	76,596	80,486	83,564	86,568	88,956	701,660
Total operating revenue	96,481	104,222	112,432	127,680	131,751	137,684	143,392	148,416	153,089	157,268	1,312,414
Operating cash ratio	41.6%	45.9%	49.1%	54.8%	55.0%	55.6%	56.1%	56.3%	56.5%	56.6%	53.5%

Financial sustainability assessment - investment sufficiency

Assessment of investment sufficiency

These charts and tables are for the water and wastewater services to be delivered by the CCO and demonstrate investment sufficiency is achieved. The values in the tables are shown in $000.

Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth



Renewals requirements for water services

Asset sustainability ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure on renewals	26,885	31,085	48,203	51,603	36,075	28,801	31,425	38,291	40,917	42,220	375,505
Depreciation	34,261	37,606	40,442	44,963	46,849	51,018	54,718	58,543	59,733	62,722	490,856
Asset sustainability ratio	(21.5%)	(17.3%)	19.2%	14.8%	(23.0%)	(43.5%)	(42.6%)	(34.6%)	(31.5%)	(32.7%)	(23.5%)

Where the ratio is positive, this means that there is more projected renewals investment than projected depreciation. Where this ratio is negative, this means that projected renewals investment is less than projected depreciation. The proposed renewals investment has been determined using LTP, AMPs and associated Infrastructure Strategy. There is an evident increase in the second decade of the 30-year programme where the negative percentages will reverse.

Total water services investment required over 10 years

Asset investment ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure	89,991	119,865	136,206	102,144	102,847	86,301	72,988	59,193	51,694	53,646	874,875
Depreciation	34,261	37,606	40,442	44,963	46,849	51,018	54,718	58,543	59,733	62,722	490,856
Asset investment ratio	162.7%	218.7%	236.8%	127.2%	119.5%	69.2%	33.4%	1.1%	(13.5%)	(14.5%)	78.2%

The fluctuation in the ratios here is due to significant capital required through to FY29. These are largely for two significant projects at Mangawhai and Ruakaka following Infrastructure Acceleration Fund projects completed in Kaikohe and Kawakawa.

Average remaining useful life of network assets

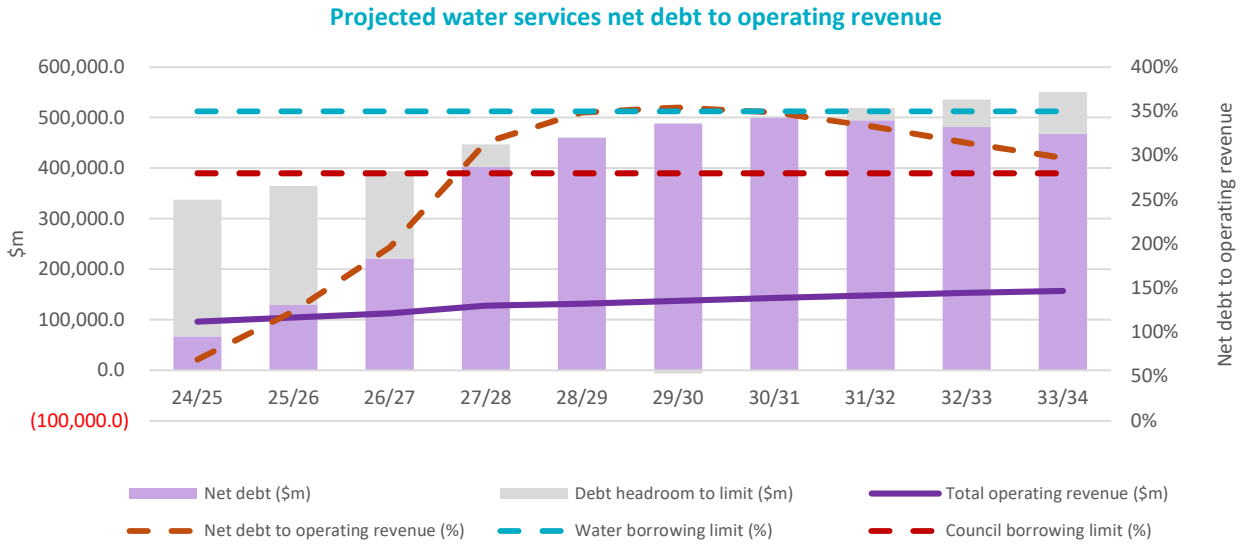
Financial sustainability assessment - financing sufficiency

Assessment of financing suffiency

These charts and tables are for the water and wastewater services to be delivered by the CCO and demonstrate financing sufficiency is achieved. The values in the tables are shown in $000.

Projected council borrowings against borrowing limits

Projected water services borrowings against borrowing limits



As discussed in earlier sections of this plan, it is intended to work within a borrowing limit of 350% wherever possible to provide headroom for unexpected and unplanned expenditure. Net debt is negative in early years due to existing WDC surpluses and increase as these are utilised in planned capital activity.

Projected borrowings for water services

Net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	67,084	129,454	220,852	402,347	459,395	487,911	499,862	494,502	481,081	467,680
Operating revenue	96,481	104,222	112,432	127,680	131,751	137,684	143,392	148,416	153,089	157,268
Net debt to operating revenue	70%	124%	196%	315%	349%	354%	349%	333%	314%	297%

The profile of borrowings reflects the capital investment programme and utilisation of existing WDC surpluses

Borrowing headroom/(shortfall) for water services

Borrowings headroom/(shortfall) against limit	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	96,481	104,222	112,432	127,680	131,751	137,684	143,392	148,416	153,089	157,268
Debt to revenue limit	350%	350%	350%	350%	350%	350%	350%	350%	350%	350%
Maximum allowable net debt	337,682	364,776	393,513	446,880	461,129	481,895	501,873	519,455	535,812	550,437
Total net debt	67,084	129,454	220,852	402,347	459,395	487,911	499,862	494,502	481,081	467,680
Borrowing headroom/ (shortfall) against limit	270,598	235,322	172,661	44,533	1,733	(6,016)	2,011	24,953	54,731	82,756

As discussed previously the intention is to wok within a borrowing limit of 350% wherever possible. There is one year as mulitple large projects are completing where this is not achieved.

Free funds from operations

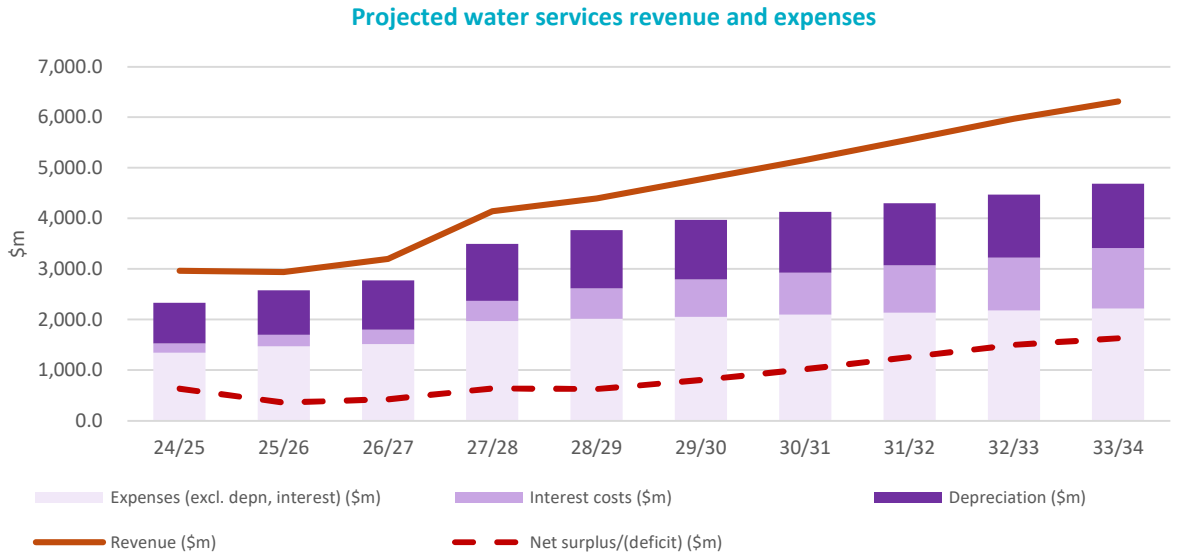
Free funds from operations (FFO) to debt ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt	67,084	129,454	220,852	402,347	459,395	487,911	499,862	494,502	481,081	467,680
Funds from operations	35,039	41,810	47,297	49,173	49,367	51,124	53,630	56,276	59,486	62,430
FFO to debt ratio	52.2%	32.3%	21.4%	12.2%	10.7%	10.5%	10.7%	11.4%	12.4%	13.3%

Stormwater

Kaipara

These charts and tables are for the stormwater to be delivered by KDC and demonstrate financial sustainability is achieved. The values in the tables are shown in $000.

Projected water services revenues cover the projected costs of delivering water services



Average projected charges for water services over FY2024/25 to FY2033/34

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average stormwater bill (including GST)	451	483	518	676	706	755	802	851	899	934
Average charge per connection including GST	451	483	518	676	706	755	802	851	899	934
Projected increase	-11.3%	7.2%	7.1%	30.6%	4.4%	7.0%	6.1%	6.1%	5.7%	3.9%
Water services charges as % of household income	0.4%	0.4%	0.5%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%

Projected operating surpluses/(deficits) for water services

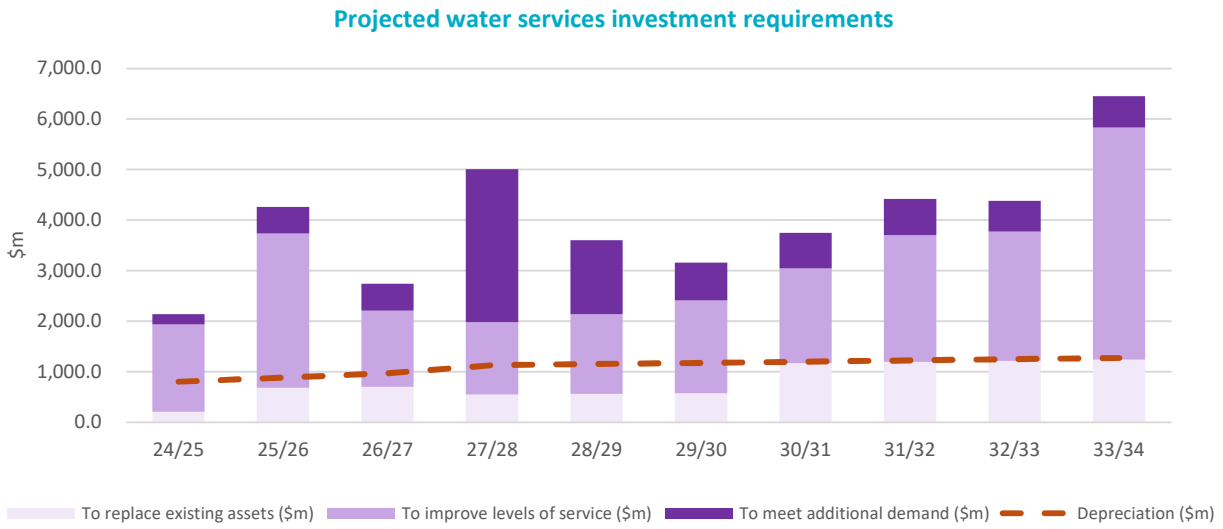
Operating surplus ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) excluding capital revenues	87	65	116	352	331	506	713	943	1,179	1,304	5,596
Total operating revenue	2,419	2,645	2,889	3,849	4,100	4,475	4,845	5,242	5,651	5,988	42,103
Operating surplus ratio	3.6%	2.5%	4.0%	9.2%	8.1%	11.3%	14.7%	18.0%	20.9%	21.8%	13.3%

Cash surpluses will be applied to investment in the renewals programme, loan repayments and servicing debt.

Projected operating cash surpluses for water services

Operating cash ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) + depreciation + interest costs - capital revenue	1,077	1,178	1,375	1,881	2,089	2,421	2,750	3,106	3,474	3,770	23,123
Total operating revenue	2,419	2,645	2,889	3,849	4,100	4,475	4,845	5,242	5,651	5,988	42,103
Operating cash ratio	44.5%	44.5%	47.6%	48.9%	50.9%	54.1%	56.8%	59.2%	61.5%	63.0%	54.9%

Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth



Renewals requirements for water services

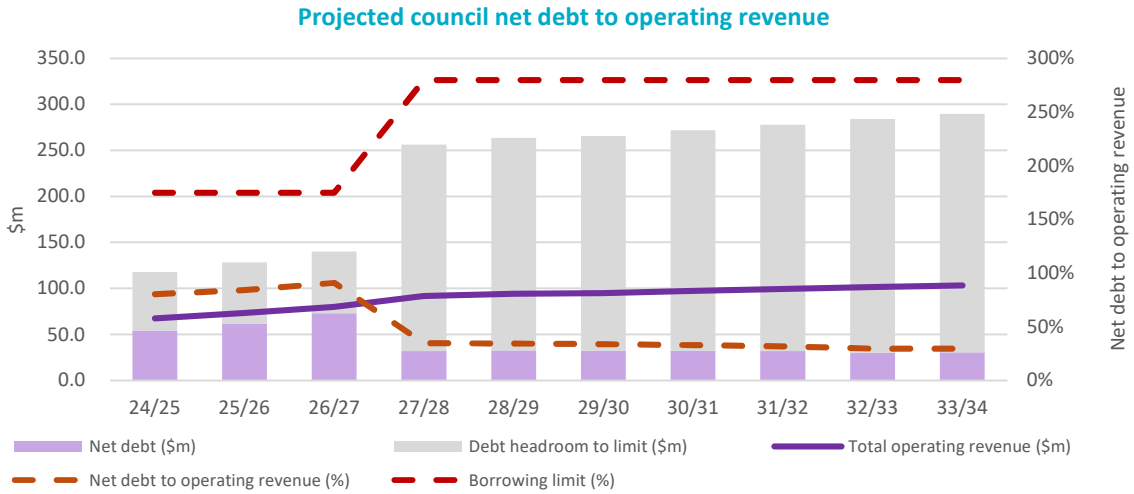
Asset sustainability ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure on renewals	206	684	699	550	562	574	1,171	1,195	1,217	1,241	8,099
Depreciation	805	885	973	1,130	1,155	1,179	1,203	1,227	1,250	1,274	11,082
Asset sustainability ratio	(74.4%)	(22.8%)	(28.1%)	(51.3%)	(51.3%)	(51.3%)	(2.6%)	(2.6%)	(2.6%)	(2.6%)	(26.9%)

Where the ratio is positive, this means that there is more projected renewals investment than projected depreciation. Where this ratio is negative, this means that projected renewals investment is less than projected depreciation. The proposed renewals investment has been determined using LTP, AMPs and associated Infrastructure Strategy. There is an evident increase in the second decade of the 30-year programme where the negative percentages will reverse.

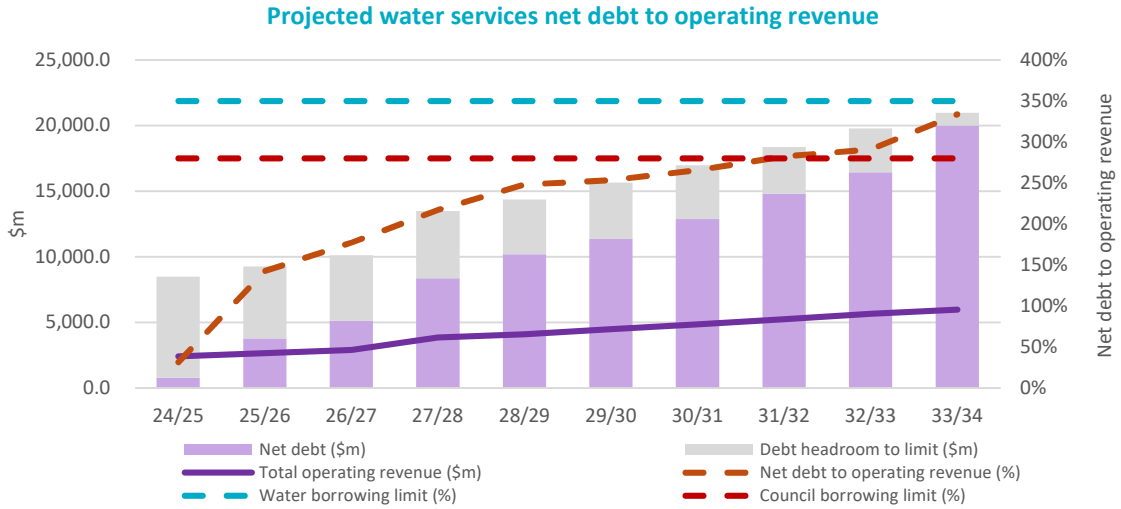
Total water services investment required over 10 years

Asset investment ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure	2,141	4,259	2,743	5,007	3,599	3,158	3,748	4,420	4,383	6,451	39,910
Depreciation	805	885	973	1,130	1,155	1,179	1,203	1,227	1,250	1,274	11,082
Asset investment ratio	166.0%	381.2%	181.9%	343.0%	211.6%	167.8%	211.6%	260.3%	250.5%	406.3%	260.1%

Projected council borrowings against borrowing limits



Projected water services borrowings against borrowing limits



As discussed in earlier sections of this plan, KDC will obtain a credit rating to access a borrowing limit of 280%.

Projected borrowings for water services

Net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	760	3,775	5,123	8,357	10,175	11,348	12,872	14,808	16,440	19,985
Operating revenue	2,419	2,645	2,889	3,849	4,100	4,475	4,845	5,242	5,651	5,988
Net debt to operating revenue	31%	143%	177%	217%	248%	254%	266%	282%	291%	334%

Borrowing headroom/(shortfall) for water services

Borrowings headroom/(shortfall) against limit	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	2,419	2,645	2,889	3,849	4,100	4,475	4,845	5,242	5,651	5,988
Debt to revenue limit	350%	350%	350%	350%	350%	350%	350%	350%	350%	350%
Maximum allowable net debt	8,467	9,258	10,112	13,472	14,349	15,661	16,956	18,347	19,779	20,960
Total net debt	760	3,775	5,123	8,357	10,175	11,348	12,872	14,808	16,440	19,985
Borrowing headroom/ (shortfall) against limit	7,706	5,482	4,989	5,114	4,174	4,313	4,084	3,539	3,339	975

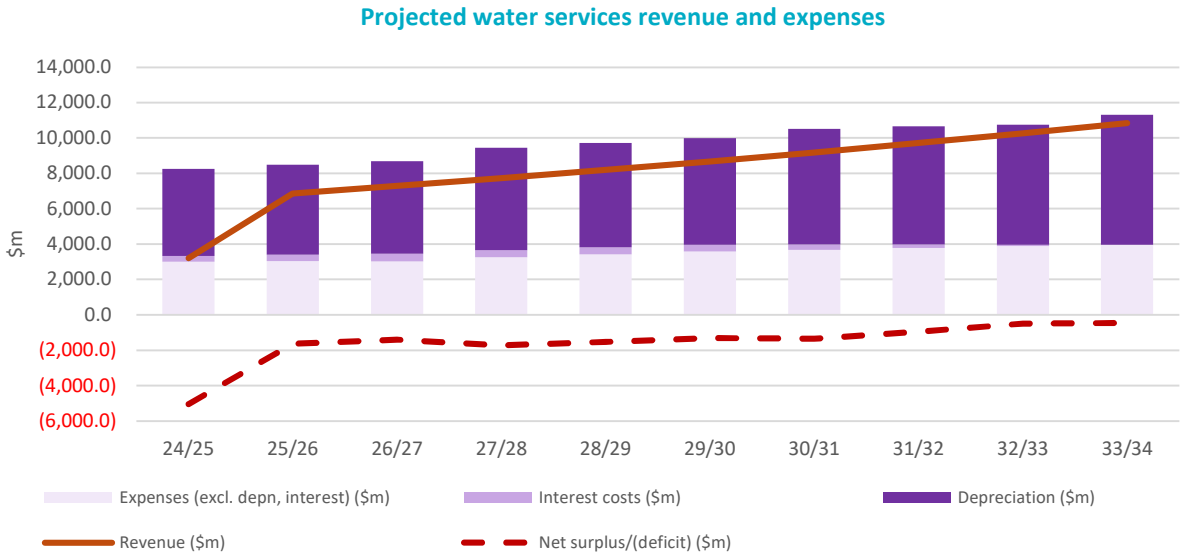
Free funds from operations

Free funds from operations (FFO) to debt ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt	760	3,775	5,123	8,357	10,175	11,348	12,872	14,808	16,440	19,985
Funds from operations	892	950	1,089	1,482	1,486	1,685	1,916	2,170	2,429	2,578
FFO to debt ratio	117.3%	25.2%	21.3%	17.7%	14.6%	14.8%	14.9%	14.7%	14.8%	12.9%

Whangārei

These charts and tables are for the stormwater to be delivered by WDC and demonstrate financial sustainability is achieved. The values in the tables are shown in $000.

Projected water services revenues cover the projected costs of delivering water services



Average projected charges for water services over FY2024/25 to FY2033/34

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average stormwater bill (including GST)	7	237	248	259	271	284	296	310	323	337
Average charge per connection including GST	7	237	248	259	271	284	296	310	323	337
Projected increase	-95.7%	3141.6%	4.7%	4.7%	4.6%	4.6%	4.4%	4.4%	4.3%	4.3%
Water services charges as % of household income	0.0%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%

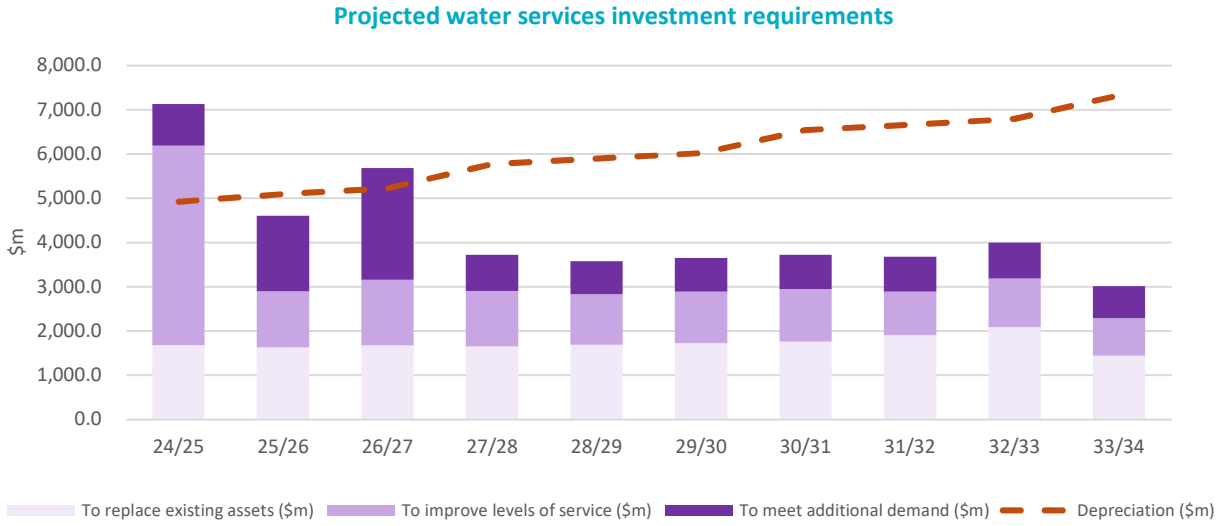
Projected operating surpluses/(deficits) for water services

Operating surplus ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) excluding capital revenues	(8,036)	(1,626)	(1,402)	(1,715)	(1,523)	(1,307)	(1,340)	(949)	(490)	(451)	(18,839)
Total operating revenue	209	6,863	7,282	7,726	8,189	8,673	9,176	9,708	10,261	10,846	78,933
Operating surplus ratio	(3845.0%)	(23.7%)	(19.3%)	(22.2%)	(18.6%)	(15.1%)	(14.6%)	(9.8%)	(4.8%)	(4.2%)	(23.9%)

Projected operating cash surpluses for water services

Operating cash ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) + depreciation + interest costs - capital revenue	(2,787)	3,828	4,253	4,469	4,770	5,090	5,511	5,930	6,381	6,879	44,324
Total operating revenue	209	6,863	7,282	7,726	8,189	8,673	9,176	9,708	10,261	10,846	78,933
Operating cash ratio	(1333.5%)	55.8%	58.4%	57.8%	58.2%	58.7%	60.1%	61.1%	62.2%	63.4%	56.2%

Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth



Renewals requirements for water services

Asset sustainability ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure on renewals	1,683	1,634	1,671	1,655	1,691	1,726	1,761	1,904	2,086	1,440	17,251
Depreciation	4,925	5,094	5,227	5,779	5,901	6,023	6,544	6,670	6,796	7,330	60,289
Asset sustainability ratio	(65.8%)	(67.9%)	(68.0%)	(71.4%)	(71.3%)	(71.3%)	(73.1%)	(71.5%)	(69.3%)	(80.4%)	(71.4%)

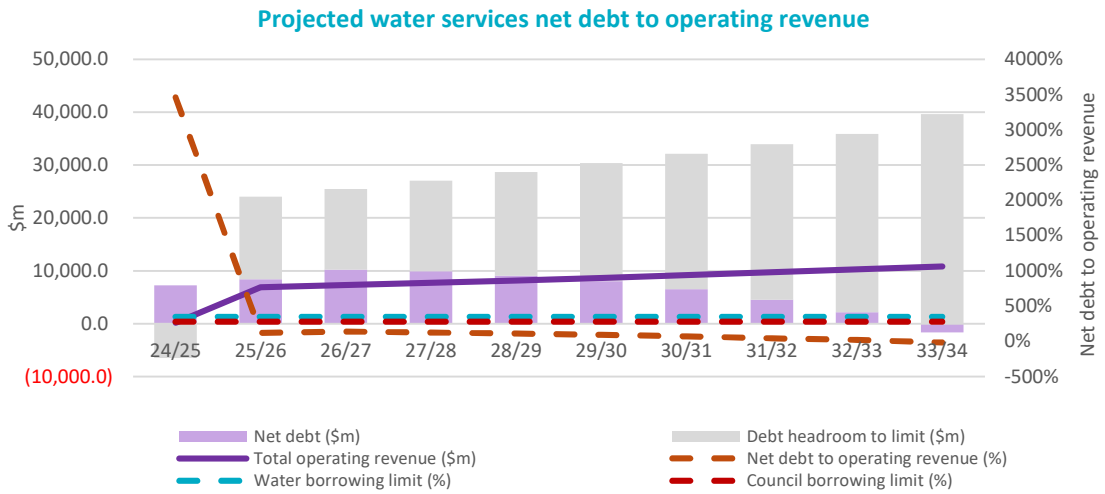
Where the ratio is positive, this means that there is more projected renewals investment than projected depreciation. Where this ratio is negative, this means that projected renewals investment is less than projected depreciation. The proposed renewals investment has been determined using LTP, AMPs and associated Infrastructure Strategy. There is an evident increase in the second decade of the 30-year programme where the negative percentages will reverse.

Total water services investment required over 10 years

Asset investment ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure	7,127	4,607	5,680	3,720	3,577	3,651	3,725	3,680	3,993	3,014	42,774
Depreciation	4,925	5,094	5,227	5,779	5,901	6,023	6,544	6,670	6,796	7,330	60,289
Asset investment ratio	44.7%	(9.6%)	8.7%	(35.6%)	(39.4%)	(39.4%)	(43.1%)	(44.8%)	(41.2%)	(58.9%)	(29.1%)

Projected council borrowings against borrowing limits

Projected water services borrowings against borrowing limits



Projected borrowings for water services

Net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	7,238	8,377	10,232	9,888	9,087	8,022	6,543	4,502	2,189	(1,676)
Operating revenue	209	6,863	7,282	7,726	8,189	8,673	9,176	9,708	10,261	10,846
Net debt to operating revenue	3463%	122%	141%	128%	111%	92%	71%	46%	21%	(15%)

Borrowing headroom/(shortfall) for water services

Borrowings headroom/(shortfall) against limit	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	209	6,863	7,282	7,726	8,189	8,673	9,176	9,708	10,261	10,846
Debt to revenue limit	350%	350%	350%	350%	350%	350%	350%	350%	350%	350%
Maximum allowable net debt	732	24,021	25,487	27,041	28,662	30,356	32,116	33,978	35,914	37,961
Total net debt	7,238	8,377	10,232	9,888	9,087	8,022	6,543	4,502	2,189	(1,676)
Borrowing headroom/ (shortfall) against limit	(6,507)	15,644	15,255	17,153	19,575	22,334	25,573	29,476	33,725	39,637

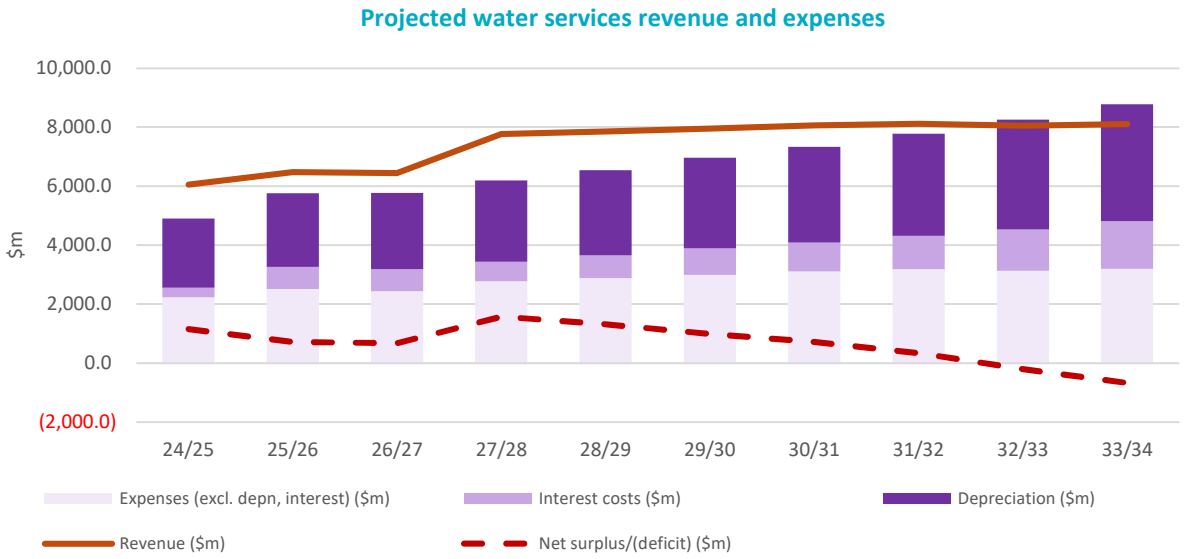
Free funds from operations

Free funds from operations (FFO) to debt ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt	7,238	8,377	10,232	9,888	9,087	8,022	6,543	4,502	2,189	(1,676)
Funds from operations	(3,111)	3,468	3,825	4,064	4,378	4,716	5,204	5,721	6,306	6,879
FFO to debt ratio	(43.0%)	41.4%	37.4%	41.1%	48.2%	58.8%	79.5%	127.1%	288.1%	(410.4%)

Far North

These charts and tables are for the stormwater to be delivered by FNDC and demonstrate financial sustainability is achieved. The values in the tables are shown in $000.

Projected water services revenues cover the projected costs of delivering water services



Average projected charges for water services over FY2024/25 to FY2033/34

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average stormwater bill (including GST)	504	539	531	634	635	636	638	637	625	623
Average charge per connection including GST	504	539	531	634	635	636	638	637	625	623
Projected increase	#DIV/0!	7.0%	-1.5%	19.3%	0.2%	0.2%	0.4%	-0.3%	-1.8%	-0.3%

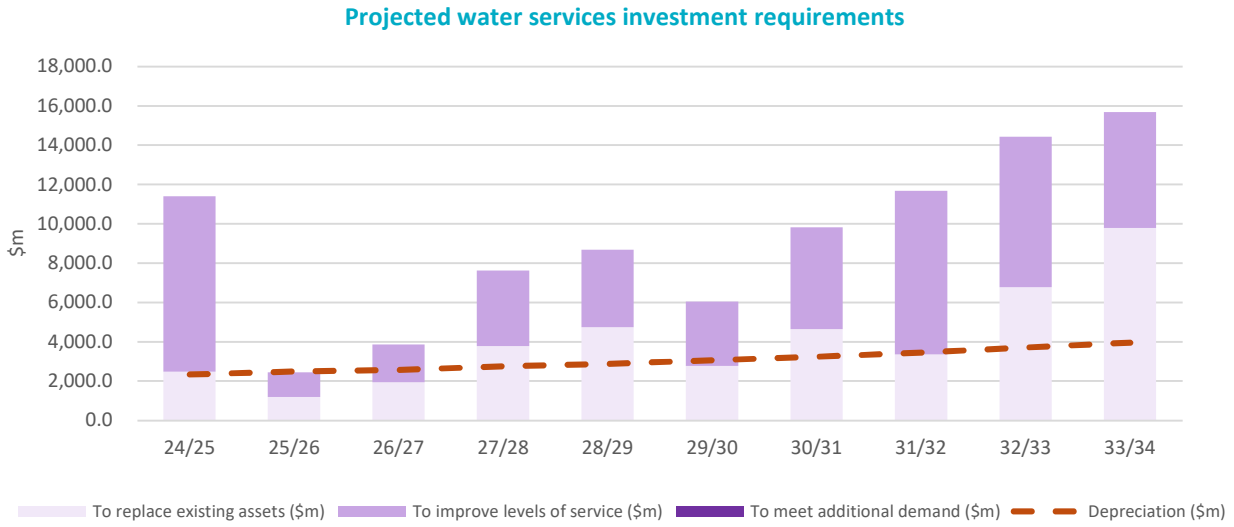
Projected operating surpluses/(deficits) for water services

Operating surplus ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) excluding capital revenues	1,152	719	677	1,576	1,312	988	721	336	(206)	(672)	6,602
Total operating revenue	6,054	6,476	6,441	7,764	7,854	7,945	8,053	8,113	8,046	8,103	74,851
Operating surplus ratio	19.0%	11.1%	10.5%	20.3%	16.7%	12.4%	9.0%	4.1%	(2.6%)	(8.3%)	8.8%

Projected operating cash surpluses for water services

Operating cash ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) + depreciation + interest costs - capital revenue	3,822	3,962	4,002	4,988	4,971	4,954	4,942	4,931	4,920	4,912	46,404
Total operating revenue	6,054	6,476	6,441	7,764	7,854	7,945	8,053	8,113	8,046	8,103	74,851
Operating cash ratio	63.1%	61.2%	62.1%	64.2%	63.3%	62.3%	61.4%	60.8%	61.1%	60.6%	62.0%

Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth



Renewals requirements for water services

Asset sustainability ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure on renewals	2,486	1,198	1,936	3,779	4,739	2,780	4,647	3,361	6,786	9,794	41,506
Depreciation	2,345	2,502	2,579	2,753	2,890	3,071	3,250	3,463	3,724	3,962	30,540
Asset sustainability ratio	6.0%	(52.1%)	(24.9%)	37.3%	64.0%	(9.5%)	43.0%	(2.9%)	82.2%	147.2%	35.9%

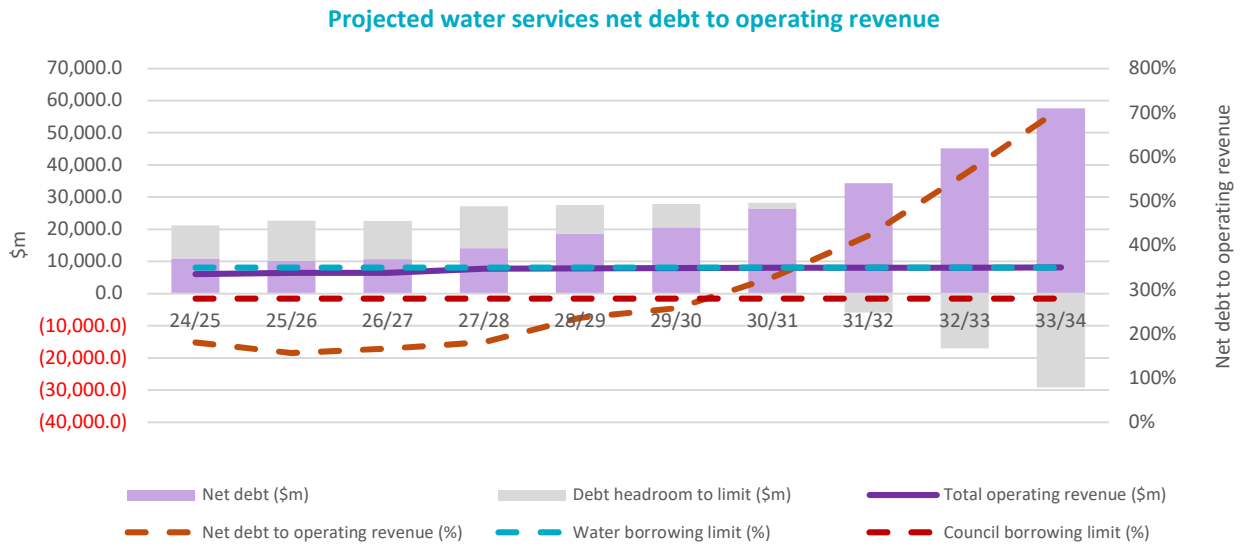
Where the ratio is positive, this means that there is more projected renewals investment than projected depreciation. Where this ratio is negative, this means that projected renewals investment is less than projected depreciation. The proposed renewals investment has been determined using LTP, AMPs and associated Infrastructure Strategy. There is an evident increase in the second decade of the 30-year programme where the negative percentages will reverse.

Total water services investment required over 10 years

Asset investment ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure	11,394	2,448	3,862	7,625	8,686	6,050	9,824	11,673	14,433	15,686	91,680
Depreciation	2,345	2,502	2,579	2,753	2,890	3,071	3,250	3,463	3,724	3,962	30,540
Asset investment ratio	385.8%	(2.1%)	49.7%	176.9%	200.6%	97.0%	202.2%	237.1%	287.5%	295.9%	200.2%

Projected council borrowings against borrowing limits

Projected water services borrowings against borrowing limits



Projected borrowings for water services

Net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt (gross debt less cash)	10,935	10,163	10,768	14,063	18,547	20,539	26,391	34,265	45,180	57,576
Operating revenue	6,054	6,476	6,441	7,764	7,854	7,945	8,053	8,113	8,046	8,103
Net debt to operating revenue	181%	157%	167%	181%	236%	258%	328%	422%	561%	711%

Borrowing headroom/(shortfall) for water services

Borrowings headroom/(shortfall) against limit	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	6,054	6,476	6,441	7,764	7,854	7,945	8,053	8,113	8,046	8,103
Debt to revenue limit	350%	350%	350%	350%	350%	350%	350%	350%	350%	350%
Maximum allowable net debt	21,188	22,667	22,545	27,174	27,489	27,809	28,187	28,397	28,163	28,360
Total net debt	10,935	10,163	10,768	14,063	18,547	20,539	26,391	34,265	45,180	57,576
Borrowing headroom/ (shortfall) against limit	10,253	12,504	11,778	13,110	8,942	7,271	1,795	(5,868)	(17,018)	(29,216)

Free funds from operations

Free funds from operations (FFO) to debt ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt	10,935	10,163	10,768	14,063	18,547	20,539	26,391	34,265	45,180	57,576
Funds from operations	3,497	3,221	3,257	4,329	4,202	4,059	3,971	3,799	3,518	3,290
FFO to debt ratio	32.0%	31.7%	30.2%	30.8%	22.7%	19.8%	15.0%	11.1%	7.8%	5.7%

Part E: Projected financial statements for water services

Project Financial statements

Projected funding impact statement – joint CCO for water and wastewater services

Projected Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	586	828	1,199	1,593	1,688	1,785	1,871	1,960	2,049	2,136
Targeted rates	81,402	88,497	97,064	113,055	118,286	124,070	129,596	134,505	139,038	143,058
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	3,234	2,873	2,101	1,307	0	0	0	0	0	0
Fees and charges	11,259	12,024	12,068	11,725	11,777	11,829	11,925	11,950	12,002	12,074
Total operating funding	96,481	104,222	112,432	127,680	131,751	137,684	143,392	148,416	153,089	157,268
Applications of operating funding										
Payments to staff and suppliers	48,630	48,321	49,296	49,237	50,568	52,010	53,644	55,321	56,705	58,289
Finance costs	5,122	6,014	7,873	20,761	23,032	25,472	26,856	27,289	27,082	26,526
Internal charges and overheads applied	7,689	8,076	7,966	8,509	8,783	9,078	9,262	9,530	9,816	10,023
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	61,441	62,411	65,135	78,507	82,384	86,560	89,762	92,140	93,603	94,838
Surplus/(deficit) of operating funding	35,039	41,810	47,297	49,173	49,367	51,124	53,630	56,276	59,486	62,430
Sources of capital funding										
Subsidies and grants for capital expenditure	21,427	26,809	2,210	279	0	0	0	0	0	0
Development and financial contributions	5,628	6,323	10,020	19,551	15,428	12,032	14,535	14,686	12,327	11,614
Increase/(decrease) in debt	27,897	44,922	76,680	33,141	38,051	23,145	4,822	(11,769)	(20,119)	(20,398)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	54,952	78,054	88,910	52,971	53,480	35,177	19,358	2,917	(7,792)	(8,784)
Applications of capital funding										
Capital expenditure - to meet additional demand	28,589	58,448	35,664	61,218	46,904	25,186	27,630	12,076	10,847	8,521
Capital expenditure - to improve levels of services	43,929	47,779	67,057	37,678	38,865	37,685	21,062	15,236	6,628	9,903
Capital expenditure - to replace existing assets	26,885	31,085	48,203	51,603	36,075	28,801	31,425	38,291	40,917	42,220
Increase/(decrease) in reserves	(9,412)	(17,448)	(14,719)	(48,354)	(18,997)	(5,371)	(7,128)	(6,410)	(6,697)	(6,998)
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	89,991	119,865	136,206	102,144	102,847	86,301	72,988	59,193	51,694	53,646
Surplus/(deficit) of capital funding	(35,039)	(41,810)	(47,296)	(49,173)	(49,367)	(51,124)	(53,630)	(56,276)	(59,487)	(62,430)
Funding balance	0	0	1	0	0	(0)	0	0	(0)	(0)

Projected statement of comprehensive revenue and expense – joint CCO for water and wastewater services

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	96,481	104,222	112,432	127,680	131,751	137,684	143,392	148,416	153,089	157,268
Other revenue	27,055	33,132	12,230	19,830	15,428	12,032	14,535	14,686	12,327	11,614
Total revenue	123,536	137,354	124,662	147,510	147,179	149,716	157,928	163,102	165,416	168,882
Operating expenses	48,630	48,321	49,296	49,237	50,568	52,010	53,644	55,321	56,705	58,289
Finance costs	5,122	6,014	7,873	20,761	23,032	25,472	26,856	27,289	27,082	26,526
Overheads and support costs	7,689	8,076	7,966	8,509	8,783	9,078	9,262	9,530	9,816	10,023
Depreciation & amortisation	34,261	37,606	40,442	44,963	46,849	51,018	54,718	58,543	59,733	62,722
Total expenses	95,703	100,017	105,577	123,470	129,233	137,578	144,480	150,683	153,336	157,560
Net surplus / (deficit)	27,833	37,337	19,085	24,040	17,947	12,139	13,448	12,419	12,080	11,322
Revaluation of infrastructure assets										
Total comprehensive income	27,833	37,337	19,085	24,040	17,947	12,139	13,448	12,419	12,080	11,322
Cash surplus / (deficit) from operations (excl depreciation)	62,094	74,943	59,527	69,003	64,795	63,156	68,166	70,962	71,813	74,044

Projected statement of cashflows – joint CCO for water and wastewater services

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	62,094	74,943	59,527	69,003	64,795	63,156	68,166	70,962	71,813	74,044
[other items]										
Net cashflows from operating activities	62,094	74,943	59,527	69,003	64,795	63,156	68,166	70,962	71,813	74,044
Cashflows from investment activities										
[other items]										
Capital expenditure	(99,403)	(137,313)	(150,925)	(150,498)	(121,844)	(91,672)	(80,116)	(65,603)	(58,392)	(60,644)
Net cashflows from investment activities	(99,403)	(137,313)	(150,925)	(150,498)	(121,844)	(91,672)	(80,116)	(65,603)	(58,392)	(60,644)
Cashflows from financing activities										
New borrowings	23,050	31,931	63,954	137,921	36,478	12,145	6,664	(9,957)	(10,165)	(11,203)
Repayment of borrowings	(153)	12,991	17,971	(4,671)	6,943	11,394	(1,925)	(2,460)	(10,119)	(8,923)
Net cashflows from financing activities	22,897	44,922	81,925	133,250	43,420	23,539	4,738	(12,417)	(20,284)	(20,126)
Net increase/(decrease) in cash and cash equivalents	(14,412)	(17,448)	(9,472)	51,755	(13,628)	(4,977)	(7,212)	(7,058)	(6,863)	(6,726)
Cash and cash equivalents at beginning of year	75,247	60,835	43,387	33,915	85,670	72,042	67,065	59,852	52,795	45,932
Cash and cash equivalents at end of year	60,835	43,387	33,915	85,670	72,042	67,065	59,852	52,795	45,932	39,206

Projected statement of financial position – joint CCO for water and wastewater services

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	63,335	45,887	36,415	(11,830)	(25,458)	(30,435)	(37,648)	(44,705)	(51,568)	(58,294)
Other current assets										
Infrastructure assets	1,182,484	1,282,191	1,448,595	1,554,130	1,629,125	1,728,598	1,753,997	1,761,056	1,822,762	1,820,684
Other non-current assets										
Total assets	1,245,819	1,328,078	1,485,009	1,542,299	1,603,666	1,698,163	1,716,349	1,716,351	1,771,194	1,762,389
Liabilities										
Borrowings - current portion										
Other current liabilities										
Borrowings - non-current portion	130,419	175,341	257,267	390,517	433,937	457,476	462,214	449,797	429,513	409,386
Other non-current liabilities										
Total liabilities	130,419	175,341	257,267	390,517	433,937	457,476	462,214	449,797	429,513	409,386
Net assets	1,115,400	1,152,737	1,227,743	1,151,783	1,169,729	1,240,687	1,254,135	1,266,554	1,341,681	1,353,003
Equity										
Revaluation reserve										
Other reserves	693,397	730,734	749,819	673,859	691,806	703,944	717,392	729,811	741,891	753,213
Total equity	693,397	730,734	749,819	673,859	691,806	703,944	717,392	729,811	741,891	753,213

Water Services Delivery Plan: additional information

Significant capital projects

This section is to provide a schedule of all material capital projects included in the investment projections in the Plan. Councils are encouraged to set and describe an appropriate materiality threshold for populating these schedules, for example as currently provided in your Long-Term Plans. Councils may wish to include capital projects details that cover an additional 20 years (referring to Infrastructure Strategy).

For the purpose of this table the materiality threshold has been set at $2m.

Table 10| Significant Capital Projects – Joint CCO Drinking Water

Significant capital projects – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
IAF Water supply reticulation upgrades Kaikohe, KO Developer Contributions	2,150	1,359	0	0	0	0	0	0	0	0
IAF Water supply treatment upgrades Kaikohe, KO Developer Contributions	5,588	3,835	0	0	0	0	0	0	0	0
IAF Water supply treatment upgrades Kawakawa, Developer Funding Agreement	0	102	2,292	0	0	0	0	0	0	0
IAF Water supply treatment upgrades Kawakawa, KO Developer Contributions	5,235	1,686	0	0	0	0	0	0	0	0
Kerikeri Water Network Upgrade, To Heritage Bypass	0	6,906	5,233	0	0	3,352	3,551	0	0	0
Kerikeri water supply scheme upgrades to support growth	0	0	0	0	0	0	0	0	0	3,531
Kerikeri Water Treatment Plant Upgrade	1,000	2,474	4,243	0	0	0	0	0	0	7,565
FNDC Growth	2,063	1,759	604	0	0	0	0	0	0	3,341
Maungaturoto water treatment plant upgrade	725	0	430	1,651	0	0	0	0	0	0
KDC other projects	150	158		1,211	562	0	0	0	0	0
Poroti WTP upgrade	550	8,232	23,667	18,522	2,058	0	0	0	0	0
Kamo Reservoir (Dip Rd) Additional	3,083	2,058	0	0	0	0	0	0	0	0
Whau Valley New reservoir (inc decommisioning of existing)	0	309	0	2,058	3,087	0	0	0	0	0
WDC Other Projects	275	0	111	2,058	1,749	1,955	10	216	1,759	525
Total investment to meet additional demand	**20,819**	**28,878**	**36,578**	**25,499**	**7,457**	**5,307**	**3,561**	**216**	**1,759**	**14,962**
Projects to improve levels of services										
FNDC District Wide Water Minor Capital Works	461	483	508	494	507	520	533	544	556	567
FNDC District Wide Water Storage Improvements	0	639	1,308	1,371	1,410	0	0	0	0	0
Kaitaia Water Storage New Reservoir	0	0	0	0	0	0	0	0	0	4,337
Kaitaia Water Treatment Plant New Development	0	0	0	0	2,819	5,780	5,918	0	0	0
Kawakawa Water Treatment Plant Upgrades	0	0	0	5,485	8,458	0	0	0	0	0
Moerewa Water Network Upgrades for Pumps, Vales and Pipe Bridges	0	0	0	686	1,973	0	0	0	0	0
Pahia to Opua fire flows improvement	0	0	0	4,388	4,511	0	0	0	0	0
SCADA system upgrades	900	1,380	1,413	0	0	0	0	0	0	0
FNDC LoS	5,005	1,523	2,465	82	0	0	0	0	0	2,522
Dargaville water Rotu pump station upgrade	0	0	0	2,201	2,250	0	0	0	0	0
Ruawai water treatment plant and bore upgrade	0	0	0	0	225	230	0	0	487	1,489
KDC other projects	206	736	753	110	112	1,837	117	239	122	992
SH1 Tarewa intersection to Maungakaramea	0	0	0	0	0	0	206	1,852	2,058	0
Three Mile Bush Reservoir and pipework	4,116	873	0	0	0	0	0	0	0	0
Fairway Dr pump station upgrade	222	1,029	2,058	0	0	0	0	0	0	0
WDC Other Projects	3,203	3,982	1,394	1,996	0	0	1,595	206	823	2,675
Total investment to meet improve levels of services	**14,114**	**10,645**	**9,898**	**16,813**	**22,265**	**8,367**	**8,368**	**2,841**	**4,045**	**12,583**
Projects to replace existing assets										
FNDC District Wide Water Network Reactive Renewals Triggered By Roading	300	307	314	219	226	231	237	242	247	252
FNDC District Wide Water Reactive Renewals	300	307	314	329	338	347	355	363	371	378
FNDC District Wide Water Supply Meter Renewals	0	0	0	329	338	347	355	363	371	378
Kaikohe Water Network Reticulation Renewals	0	0	3,140	900	925	948	971	992	1,013	1,034
Kaikohe Water Treatment & Storage Renewals	0	0	0	329	338	347	355	363	371	378
Kaitaia Water Network Planned Renewals	0	0	0	0	0	0	249	762	1,037	1,059
Kawakawa Water Network Planned Renewals	0	0	4,186	1,108	1,139	1,167	1,195	1,222	1,247	1,274
Paihia Water Network Planned Renewals	0	0	0	0	0	0	0	290	902	1,236
Paihia Water treatment plant relocation	1,022	2,555	8,283	0	0	0	0	0	0	0
FNDC Renewal	1,470	828	445	1,174	1,235	1,295	1,562	1,083	963	2,093
KDC Districtwide water network renewals	639	1,580	1,614	1,651	1,687	1,722	1,757	1,792	1,826	1,861
KDC other projects	750	50	0	0	1,294	230	234	358	1,096	0
SCADA upgrade renewal	0	0	0	0	0	0	0	0	206	2,058
Vinegar Hill trunk main	0	0	0	51	51	1,955	0	0	0	0
Reticulation Renewals	3,087	3,087	4,939	5,145	5,145	5,145	5,145	5,659	5,659	7,202
Whau Valley Dam Chimney Drain	0	0	0	0	0	257	257	2,264	0	0
WDC Other Projects	4,466	3,653	5,196	9,570	4,116	463	4,589	1,903	2,778	206
Total investment to replace existing assets	**12,034**	**12,366**	**28,431**	**20,805**	**16,832**	**14,453**	**17,262**	**17,656**	**18,085**	**19,409**
Total investment in drinking water assets	**46,967**	**51,888**	**74,907**	**63,117**	**46,554**	**28,127**	**29,191**	**20,713**	**23,890**	**46,953**

Table 11| Significant Capital Projects – Joint CCO Wastewater

Significant capital projects – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
IAF Wastewater reticulation upgrades Kaikohe, Developer Funding Agreement	100	6,403	0	0	0	0	0	0	0	0
IAF Wastewater reticulation upgrades Kawakawa, Developer Funding Agreement	0	2,884	335	0	0	0	0	0	0	0
IAF Wastewater reticulation upgrades Kawakawa, KO Developer Contributions	550	7,154	170	0	0	0	0	0	0	0
IAF Wastewater reticulation upgrades Kaikohe, FNDC Funded	1,634	1,678	0	0	0	0	0	0	0	0
IAF Wastewater reticulation upgrades Kaikohe, KO Developer Contributions	450	6,081	0	0	0	0	0	0	0	0
IAF Wastewater treatment upgrades Kaikohe, Developer Funding Agreement	100	2,078	0	0	0	0	0	0	0	0
IAF Wastewater treatment upgrades Kaikohe, KO Developer Contributions	290	2,351	0	0	0	0	0	0	0	0
IAF Wastewater treatment upgrades Kawakawa, KO Developer Contributions	510	3,577	1,674	0	0	0	0	0	0	0
Kerikeri Wastewater Network Upgrades	0	0	0	0	1,150	1,179	1,207	1,234	1,260	1,286
Kerikeri Wastewater Treatment Plant Upgrade - Stage 2 and 3 (KK/Waipapa))	0	0	0	6,582	0	0	0	0	0	0
FNDC Growth	2,526	2,130	1,138	0	0	0	0	0	0	0
Mangawhai wastewater treatment plant, network and disposal upgrade programme	1,029	2,629	4,841	2,201	6,186	12,631	14,641	5,974	3,652	5,582
Kaiwaka wastewater treatment plant upgrade	0	0	0	2,201	562	0	0	0	0	0
Dargaville wastewater PS1 and PS4 upgrades	309	1,262	1,076	0	0	0	0	0	0	0
KDC other projects	309	0	215	0	0	0	586	0	2,191	0
Te Hape sewer extension	0	0	0	1,029	1,544	0	0	0	0	0
Ruakaka WWTP - Effluent Disposal	515	1,543	5,145	17,493	23,667	8,232	5,145	0	0	0
Sewer capacity increase Growth areas	206	1,543	1,543	1,543	1,544	1,543	1,543	1,543	1,543	1,543
Ruakaka WWTP - Upgrade Design & Consent	309	3,087	6,174	11,319	4,116	0	0	0	0	0
WDC Other Projects	173	1,029	1,029	0	0	0	0	0	0	0
Total investment to meet additional demand	**9,009**	**45,429**	**23,339**	**42,368**	**38,769**	**23,585**	**23,123**	**8,751**	**8,647**	**8,412**
Projects to improve levels of services										
FNDC District Wide Wastewater Minor Capital Works	625	639	654	686	705	722	740	756	772	788
FNDC District Wide Wastewater Pump Station Odour Devices Programme	0	383	392	411	423	433	444	0	0	0
East Coast plant upgrades	0	0	0	0	338	3,468	0	0	0	0
Hihi Wastewater Treatment Plant Replacement	500	3,194	2,747	686	705	722	0	0	0	0
Kaikohe Wastewater Treatment Plant Upgrades	1,250	5,110	15,698	8,502	0	0	0	0	0	0
Kaitaia Wastewater Network Overflow	7,704	2,220	0	0	0	0	0	0	0	0
Kaitaia Wastewater Treatment Plant Upgrades - Stage 1	885	1,022	4,709	0	0	0	0	0	0	0
Kaitaia Wastewater Treatment Plant Upgrades - Stage 2	0	0	1,308	2,194	7,048	0	0	0	0	0
Land Purchase for discharge - Omapere/Opononi	0	1,022	0	0	0	0	0	0	0	1,289
Opononi Wastewater Treatment Plants Upgrades	3,905	0	0	0	0	0	0	0	0	0
Whatuwhiwhi Wastewater Treatment Plant Improvements	0	161	2,605	0	0	0	0	0	0	0
FNDC LoS	5,054	3,077	2,966	966	226	142	869	151	0	4,319
Kaiwaka wastewater additional wet weather storage	0	0	0	0	2,250	0	0	0	0	0
Dargaville wastewater additional wet weather storage	0	0	0	0	0	0	0	2,389	2,435	2,481
KDC other projects	1,235	465	366	550	1,575	459	469	2,867	487	1,737
Whangarei WWTP Odour Control	5,688	1,353	0	0	0	0	0	0	0	0
WWTP Building Seismic Upgrade	597	1,662	1,543	0	0	0	0	0	0	0
Kioreroa Main Upgrade	4,116	3,498	0	0	0	0	0	0	0	0
Waipu Cove/Langs Beach Network Improvement	0	206	1,574	1,209	0	0	0	0	0	0
Pressure WW system connections - Onerahi area	0	0	0	0	0	514	1,543	0	0	0
WDC Other Projects	1,240	1,441	144	144	41	41	41	41	41	41
Total investment to meet improve levels of services	**32,799**	**25,453**	**34,707**	**15,348**	**13,310**	**6,503**	**4,106**	**6,205**	**3,735**	**10,654**
Projects to replace existing assets										
FNDC District Wide Telemetry Upgrades	2,100	3,219	3,296	0	0	0	0	0	0	0
FNDC District Wide Wastewater Network Reactive Renewals Triggered By Roading	0	0	654	329	338	347	355	363	371	378
FNDC District Wide Wastewater Pump Station Renewals And Upgrades	0	1,431	1,517	0	0	0	0	0	0	0
FNDC District Wide Wastewater Reactive Renewals	300	307	314	329	338	347	355	363	371	378
Kaikohe Wastewater Network Renewals	0	511	523	998	1,365	1,399	1,432	1,464	1,494	1,526
Kaitaia Wastewater Network Renewals	0	0	837	428	1,319	1,803	1,846	1,887	1,927	1,967
Kawakawa Wastewater Above Ground Planned Asset Renewals	0	0	0	318	327	335	343	351	358	366
Kawakawa Wastewater Network Renewals	0	0	262	263	361	370	379	387	395	403
Kawakawa Wastewater Treatment Plant Bioreactor Renewal	0	0	0	0	0	0	0	0	247	2,522
Paihia Wastewater Plant Renewals	0	0	0	351	361	370	379	387	395	403
FNDC Renewal	3,324	2,700	1,818	2,512	1,477	1,601	1,551	1,736	1,599	3,022
KDC Districtwide wastewater network renewals	1,079	1,262	1,076	1,101	1,125	1,148	1,171	1,792	1,826	3,101
KDC other projects	201	205	48	1,926	337	115	234	239	1,339	248
Wastewater Network Renewals	2,058	2,058	3,190	4,630	4,631	4,630	4,630	5,659	5,659	5,659
WDC Other Projects	1,317	1,914	1,657	4,538	4,270	4,476	4,579	1,991	2,824	2,392
Total investment to replace existing assets	**10,379**	**13,607**	**15,192**	**17,724**	**16,250**	**16,941**	**17,255**	**16,618**	**18,805**	**22,366**
Total investment in wastewater assets	**52,187**	**84,488**	**73,238**	**75,440**	**68,329**	**47,029**	**44,483**	**31,574**	**31,187**	**41,432**

Table 12| Significant Capital Projects – Kaipara Stormwater

Significant capital projects - stormwater	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Projects to meet additional demand										
Mangawhai Stormwater network extensions	206	210	215	550	562	574	586	597	609	620
KDC other projects	0	315	323	2,476	900	172	117	119	0	0
Total investment to meet additional demand	206	525	538	3,026	1,462	746	703	716	609	620
Projects to improve levels of services										
Dargaville stormwater network improvements	103	526	538	550	562	574	586	597	609	620
Mangawhai stormwater network improvement programme	752	1,367	0	550	562	574	586	1,792	1,826	620
KDC other projects	875	1,157	968	330	450	689	703	119	122	3,349
Total investment to improve levels of services	1,730	3,050	1,506	1,430	1,574	1,837	1,875	2,508	2,557	4,589
Projects to replace existing assets										
KDC Districtwide stormwater network renewals	206	684	699	550	562	574	1,171	1,195	1,217	1,241
KDC other projects										
Total investment to replace existing assets	206	684	699	550	562	574	1,171	1,195	1,217	1,241
Total investment in stormwater assets	2,142	4,259	2,743	5,006	3,598	3,157	3,749	4,419	4,383	6,450

Table 1113| Significant Capital Projects – Whangārei Stormwater

Significant capital projects – WDC stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
WDC Stormwater Treatment (PJ00425)	326	103	103	309	309	309	309	309	309	309
Northern Future Growth - SW Attenuation Project	309	1,646	2,572	514	412	412	412	412	412	412
WDC Other Projects	0	0	0	0	0	0	0	0	0	0
Total investment to meet additional demand	**635**	**1,749**	**2,675**	**823**	**720**	**720**	**720**	**720**	**720**	**720**
Projects to improve levels of services										
Morningside flood relief upgrade	3,293	0	0	0	0	0	0	0	0	0
WDC Other Projects	987	494	494	391	391	391	391	288	494	134
Total investment to meet improve levels of services	**4,280**	**494**	**494**	**391**	**391**	**391**	**391**	**288**	**494**	**134**
Projects to replace existing assets										
WDC Stormwater Reticulation Renewals	1,544	2,058	2,058	2,058	2,058	2,058	2,058	2,058	2,058	1,543
WDC Other Projects	669	206	206	206	103	103	103	103	103	103
Total investment to replace existing assets	**2,212**	**2,264**	**2,264**	**2,264**	**2,161**	**2,161**	**2,161**	**2,161**	**2,161**	**1,646**
Total investment in drinking stormwater assets	**7,127**	**4,507**	**5,433**	**3,478**	**3,272**	**3,272**	**3,272**	**3,169**	**3,375**	**2,500**

Table 14| Significant Capital Projects – Far North Stormwater

Significant capital projects – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Growth										378
Total investment to meet additional demand	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**378**
Projects to improve levels of services										
District Wide Stormwater Minor Capital Works	375	383	392	411	423	433	444	454	463	473
District Wide Stormwater Network Improvements	0	0	0	0	0	0	0	0	0	3,152
Hobson Ave to Wairoa Stream catchment flood improvements	0	0	0	0	1,128	1,156	0	0	0	0
Kaikohe Stormwater Network Improvements, Station Road	0	0	212	2,658	0	0	0	0	0	0
Kerikeri Urban Stormwater - upgrades for consent	0	0	0	55	564	1,156	1,184	0	0	0
Moerewa Stormwater Improvements	3,388	0	0	0	0	0	0	0	0	0
New stormwater discharge consent East Coast	0	0	0	0	0	58	592	605	618	630
New stormwater discharge consent Kaikohe	0	0	0	0	0	0	89	907	1,853	1,891
New stormwater discharge consent Kaitaia	0	0	0	823	1,128	1,156	1,184	0	0	0
New stormwater discharge consent Paihia	0	0	0	0	0	58	592	605	618	630
Ohaeawai Stormwater Network Urban Development	0	0	0	0	0	0	0	3,024	0	0
LoS	267	715	1,111	0	28	1,161	4,228	2,053	2,342	4,640
Total investment to meet improve levels of services	**4,030**	**1,099**	**1,716**	**3,947**	**3,270**	**5,177**	**8,311**	**7,647**	**5,892**	**11,417**
Projects to replace existing assets										
District Wide Stormwater Network Reactive Renewals Triggered By Roading	300	307	314	329	338	347	355	363	371	378
District Wide Stormwater Network Renewals	0	0	0	241	1,229	746	1,852	2,220	2,414	2,465
District Wide Stormwater Reactive Renewals	500	307	314	329	338	347	355	363	371	378
Kaikohe Stormwater Network Recreation Rd (East) & Purdy St (South) Renewal	0	0	0	0	0	0	0	1,512	1,544	0
Kaitaia Stormwater Network Intermediate School Renewal	0	0	0	0	0	0	0	756	2,316	0
Kaitaia Stormwater Network Lake Rd Pipe Renewal	0	0	209	2,633	0	0	0	0	0	0
Kaitaia Stormwater Network Matthews Ave To Awanui River Renewal	0	0	0	0	0	0	0	756	2,316	0
Kaitaia Stormwater Network North Rd (Grigg St To Watts) Renewal	0	0	0	0	705	2,167	0	0	0	0
Renewal	6,564	737	1,387	1,207	169	1,040	799	816	463	820
Total investment to replace existing assets	**7,364**	**1,350**	**2,224**	**4,739**	**2,780**	**4,647**	**3,361**	**6,786**	**9,794**	**4,041**
Total investment in drinking stormwater assets	**11,394**	**2,448**	**3,940**	**8,686**	**6,050**	**9,824**	**11,673**	**14,433**	**15,686**	**15,837**

Risks and assumptions

Disclosure of risks and material assumptions for water services delivery

Councils may wish to disclose risks and material assumptions for water services delivery that have been included in the Plan. The following optional table has been included as a way such risks and assumptions could be summarised.

Parameters	Drinking supply	Wastewater	Stormwater
Key Risks • Future water service delivery • Network performance • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Long term issues e.g. providing for growth, climate change			
Significant assumptions • Future water service delivery • Network performance • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Long term issues e.g. providing for growth, climate change			