



Te Kaunihera-ā-Rohe o Ngāmotu

**New Plymouth
District Council**

Water Services Delivery Plan

New Plymouth District Council

Inhouse Delivery of Stormwater Services

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

Statement that water services delivery is financially sustainable

Financially sustainable water services provision

New Plymouth District Council's (NPDC) preferred delivery model for stormwater is by way of an In-House delivery. NPDC confirms that an In-House Business Unit meets the Financially Sustainable delivery assessment as outlined as Part D of this plan.

NPDC will continue to ring-fence stormwater revenues and will introduce the planning and accountability framework for water services by 30 June 2026.

NPDC can confirm that the In-House delivery model meets the financial sustainability requirements, specifically:

- Projected revenue is sufficient to cover the costs of delivering the stormwater service, including sufficient infrastructure investment and meeting increasing regulatory requirements.
- The proposed level of investment as outlined in the NPDC Long-Term Plan is sufficient to meet levels of services, regulatory requirements and provide for growth. In addition, the proposed level of investment can be fully funded by projected revenues
- The projected council borrowings are within council borrowing limits and meet associated LGFA covenants.

Proposed delivery model

Proposed model to deliver financially sustainable water services

The proposed model to deliver stormwater services

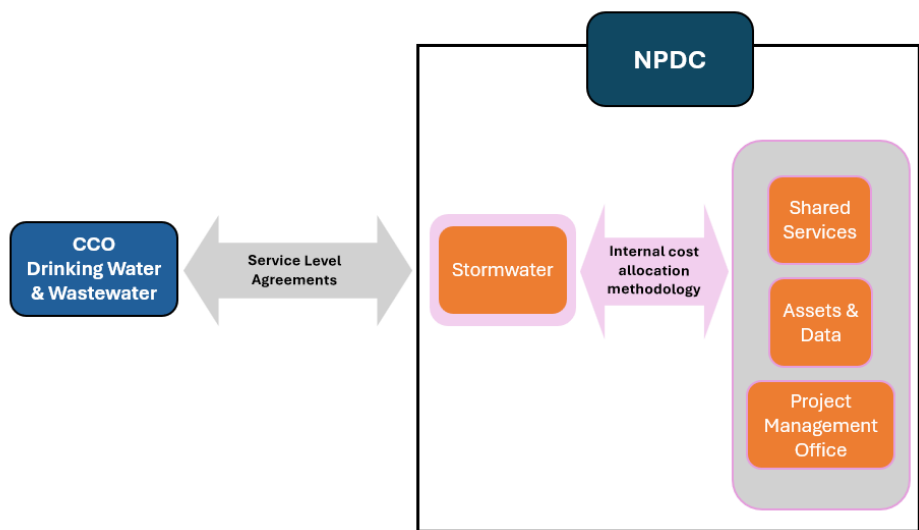
NPDC has resolved to retain stormwater service delivery and asset ownership within Council operations, under an In-House delivery model. This approach reflects the strategic decision to exclude stormwater from the scope of the proposed NPDC Water Services Council-Controlled Organisation (WSCCO), based on the integrated nature of stormwater infrastructure with broader council functions.

Stormwater assets in the New Plymouth District are multi-functional. These assets are operationally and strategically linked to other council-managed functions including Transport, Parks and Open Spaces, Resource Consents, and Environmental Planning. The In-House model enables NPDC to maintain a catchment-based approach to surface water management, ensuring continuity across planning, delivery, and compliance functions.

By maintaining an in-house delivery model for Stormwater, it will enable the following:

- a) leverage the full council revenue base to offset stormwaters debt whilst ensuring there is sufficient debt headroom to support increased infrastructure investment.
- b) Minimal additional costs/overheads to achieve financial separation
- c) Retain local accountability and responsiveness to New Plymouth community, whilst continuing to explore a level of enhanced shared services with neighbouring councils.

There are no changes to revenue collection methods anticipated.



NPDC intends to continue to deliver stormwater services independently and is therefore not seeking to partner with other councils beyond the measures already in place (shared control systems team, common contracts (e.g. WaterOutlook) and common Standard for Land Development and Subdivision Infrastructure).

By maintaining an In-House delivery model for stormwater, NPDC will continue to provide high quality stormwater services to our community while ensuring there is sufficient capacity to increase investment in infrastructure and meet regulatory requirements. To ensure the delivery of aligned water services, Council is considering operating a shared services model by contracting stormwater services to the NP WSCCO via a Service Level Agreement (SLA) between NPDC and the NP WSCCO. From a practical perspective, this will offer efficiencies, given the shared use of drainage system maintenance contractors between stormwater and wastewater. It would also support continuity across functions such as planning, growth, renewals, asset management, and project delivery. This approach might help retain staff knowledge and existing plans and could be a cost-effective solution. Should this option be agreed by Council, a dedicated role at council will be retained to oversee the delivery of contracted stormwater services, and stormwater staff will move across to CCO under a secondment arrangement. This option features as part of Establishment plan for the NP WSCCO, planned to be decided as executed by 1 July 2026 as part of the Contract Delivery Model phase.

By continuing existing accounting rules/processes, NPDC will ensure that stormwater revenues are ringfenced and therefore separate from other council financials.

Stormwater and Flood Protection services are classified as Council Service Activities and are therefore planned and accounted for independently from other Council functions. This includes separate management of assets, borrowing, revenue, and expenses. These services are funded through a split between targeted and general rates, with all revenue directly allocated to stormwater-related activities. Development contributions (DCs) will also continue to be assessed specifically for stormwater activities and ring-fenced accordingly. Fees and charges will also be applied directly to stormwater services.

These measures will ensure the revenue separation and support compliance with the planning and accountability framework.

NPDC will ensure the appropriate oversight of stormwater delivery priorities, investment programme and ensure adherence to current and future stormwater regulations.

Implementation plan

Implementation plan

Implementing the proposed service delivery model

NPDC is proposing to continue delivering stormwater services independently by way of an In-House delivery model.

As Stormwater services will continue to be delivered via the existing in-house arrangements (subject to changes resulting from removing Drinking Water and Wastewater activities and assets) and with financial separation already in place within Council, limited actions are required under the Implementation Plan.

It is noted that as per the existing LTP, stormwater is already on track to meet financial sustainability by 30 June 2028. No specific implementation action is required to meet this.

As mentioned in the previous section, NPDC retains the option to implement a contract delivery model with the NP WSCCO, which will be evaluated during WSCCO Establishment Planning. If approved by the Council, the stormwater delivery contract is scheduled for completion by 30 June 2026, with an implementation date of 1 July 2026.

Consultation and engagement

Consultation and engagement

Consultation and engagement undertaken

Mana whenua engagement and feedback from the Local Water Done Well consultation have been reflected in NPDC's WSCCO Water Service Delivery Plan.

Community consultation was carried out between 30 April and 30 May 2025, presenting three delivery model options:

1. A Regional/Taranaki Water Services Council-Controlled Organisation (WSCCO)
2. A New Plymouth District Council (NPDC) WSCCO
3. An Enhanced Status Quo (In-House Business Unit)

Under both WSCCO options, stormwater services were proposed to remain in-house.

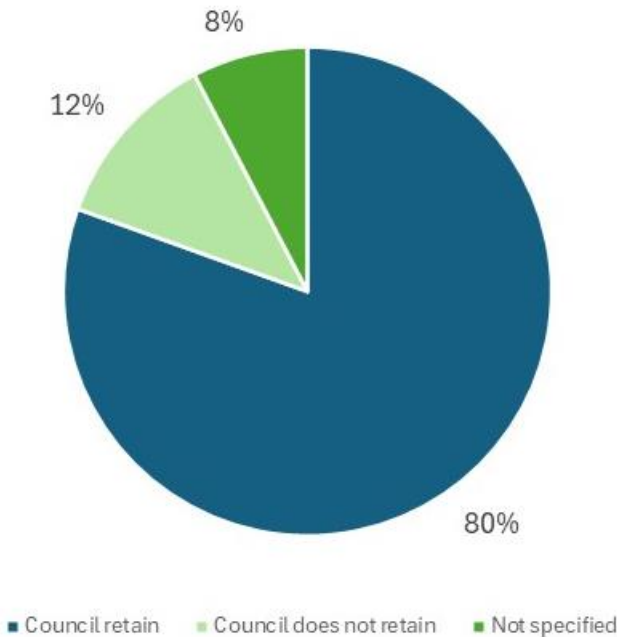
A total of 287 written submissions were received, representing approximately 0.41% of eligible voters. On 1 July 2025, 11 verbal submissions were presented at a hearing session. The results of the consultation were then reported to the full Council, informing the final decision made on 22 July 2025.

Public Consultation on Stormwater

Consultation Question 2. Do you support NPDC retaining in-house control of stormwater services?

For Stormwater Management, the majority of submitters expressed a preference for Council retaining management of stormwater services (80 per cent). Thirty-four (12 per cent) of submitters supported Council not retaining management of these services and a few submissions (8 per cent) did not specify a preference.

Stormwater Management Submission Summary



Common themes form the comments include:

- 1. Governance, Transparency, and Local Control:**
Respondents strongly favoured keeping stormwater services in-house to maintain transparency, accountability, and local oversight. Concerns included the risks of outsourcing, increased bureaucracy, and reduced public influence over decision-making.
- 2. Integration with Other Services and Infrastructure:**
Many comments emphasised the need to manage stormwater alongside other council services like roads and wastewater. Keeping these services under one administrative structure was seen as essential for efficiency and coherent planning.
- 3. Environmental and Climate Resilience:**
Submissions supported climate-adaptive and nature-based stormwater solutions, citing the growing impact of extreme weather. There was a call to protect waterways and marine ecosystems through sustainable infrastructure.
- 4. Technical Complexity and Planning Challenges:**
Respondents noted the technical intricacies of stormwater systems, including modelling, regulatory compliance, and integration with land use planning. Concerns were raised about property impacts and the need for locally informed, consistent infrastructure standards.

Council decision

Council resolved on 22 July 2025 that New Plymouth District Council future water services delivery model is:

- An asset owning NPDC WSCCO for drinking water and wastewater services & delivery;
- Stormwater asset ownership and delivery would remain with the Council.

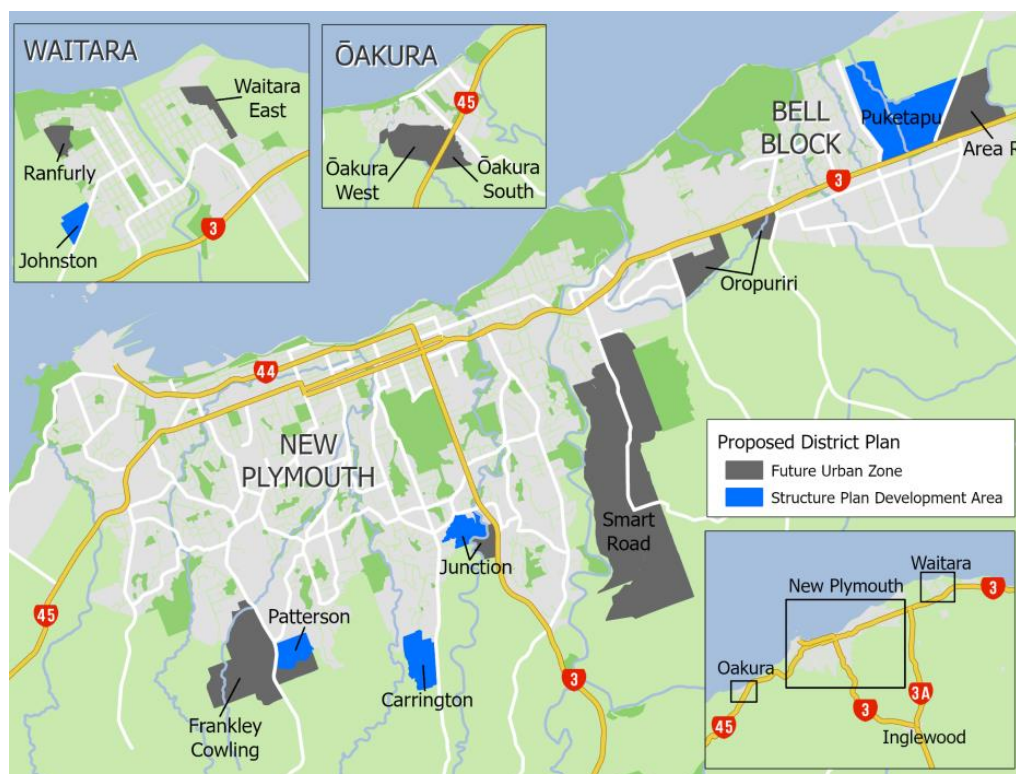
Assurance and adoption of the Plan

Assurance and adoption of the Plan	
In addition to internal assurance processes, the following independent reviews have been completed:	
- Independent legal review against the requirements in the Act. - DIA technical review and feedback on the draft WSDP	
Council resolution to adopt the Plan	
This WSDP and the WSDP for the WSCCO were submitted for adoption by NPDC Council at the meeting of 12 August 2025.	
A copy of the resolution is attached as Appendix A: Council resolution – Adoption of Water Services Delivery Plans.	
Certification of the Chief Executive of New Plymouth 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:	 _____
[Approved by] Gareth Green Chief Executive, New Plymouth District Council	
Date:	<u>22 September 2025</u>

Part B: Network performance

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

Investment required in water services
Serviced population Stormwater services are provided across the district of New Plymouth, which has a serviced population of approximately 87,000 people, the 2023 Census data from Stats NZ. Under the National Policy Statement 2020 (NPS-UD) the New Plymouth district is identified as a tier 2 urban environment and is required to prepare a Housing and Business Capacity Assessment (HBCA) for the New Plymouth district. (https://www.npdc.govt.nz/media/qxqghzwou/ecm_9171969_v4_nps-ud-housing-and-business-capacity-assessment-2024.pdf) As part of this requirement, the HBCA must quantify the development capacity to meet the expected demand for housing and business land over a 30-year period. As outlined in the HBCA prepared in 2024 population growth is a consistent trend in the New Plymouth District. Since 2001, the district has experienced an annual growth rate of one to two percent, resulting in a current population exceeding 89,000. This upward trajectory is expected to continue, with a projected population of approximately 98,800 by 2034 and around 110,400 by 2054. Notably, Bell Block and the southern areas of New Plymouth are anticipated to witness the fastest growth. As our community evolves, we anticipate demographic shifts characterised by an aging population and increased ethnic diversity, necessitating adjustments in the provision of facilities and services. Anticipated growth in the New Plymouth district is projected at 9,800 people (8.3%) in the next decade, reaching approximately 98,800, and 110,400 over the next 30 years (by the end of 2054). To accommodate this growth, the district requires an additional 11,027 new dwellings over the next 30 years, translating to an average annual need of 368 dwellings. The key tools for managing growth are the Future Development Strategy (the FDS) and the District Plan (PODP). One of the key functions of the FDS is to assist with the alignment of the zoning of land, which provides for both the intensification of existing urban areas and greenfield growth, and infrastructure planning. Under the Part Operative District Plan 2025, urban growth is provided for through centres, intensification of existing suburbs, Structure Plan Development Areas zoned for short to medium term greenfield development, as well as Future Urban Zones for residential and business growth in the medium to long-term. The location of the structure plan areas and Future Urban Zones is shown in figure below.



One of the main challenges in planning for housing and business growth is making sure there's enough land that's ready and serviced for development. To support New Plymouth's growing population, we need to both maintain and upgrade existing infrastructure (operational spending) and build new infrastructure (capital spending).

It's also crucial to carefully plan when key infrastructure projects will be delivered to support urban growth.

The Future Development Strategy (FDS) outlines that in the short to medium term (0–10 years), growth will be focused in:

- Town centers
- Existing undeveloped residential areas
- Infill housing
- Structure plan areas

The District Plan has already rezoned a significant amount of land, including around 400 hectares for Medium Density Residential use. Key greenfield growth areas include Carrington, Johnston, Junction, Patterson, and Puketapu, where infrastructure projects are already planned.

The Stormwater Planning team is developing hydraulic models to better understand how future urban growth will impact the stormwater network. These models will assess the capacity of existing infrastructure and help identify where upgrades or new systems are needed to support projected housing growth. The first model is expected to be operational within the current financial year and will inform future capital investment planning.

In the meantime, the team relies on its current understanding of the stormwater system, including historical performance data and existing models, to assess the potential impact of growth. This approach helps guide interim planning decisions and ensures that infrastructure continues to support development while more advanced modelling tools are being completed.

Serviced areas

Serviced areas (by reticulated network)	Stormwater
Residential areas (If more than one identify separately)	13 Urban Stormwater Catchments in the communities of New Plymouth, Bell Block, Waitara, Inglewood, Urenui, Onaero, Lepperton, Egmont Village, Ōākura and Ōkato
Non-residential areas (If more than one identify separately)	Industrial area of Bell Block and other smaller industrial areas within larger urban catchments
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	n/a
Areas that do not receive water services (If more than one identify separately)	Rural areas apart from stormwater assets related to roading network. National Park
Proposed growth areas - Planned (as identified in district plan) - Infrastructure enabled (as identified and funded in LTP)	Structure Plan Development Areas (SPDA): Puketapu SPDA – 647 Carrington SPDA - 231 Patterson SPDA – 165 Junction SPDA – 79 Johnston SPDA - 135

The Councils target level of service and actual levels of service for the 24/25 FY are shown in the table below for each activity

Measure	Target	Result
Stormwater		
The number of flooding events in the district per financial year.	0	0
The number of habitable floors affected in each flooding event (per 1,000 properties connected to the Council's stormwater system)	≤1	0
The median response time to a flooding event (from the time that the Council receives notification to the time service personnel reach the site).	<1 hr	0.40
The number of complaints received about the performance of the Council's stormwater system (per 1,000 properties connected)	<8	3.36
The number of abatement notices received.	0	0
The number of infringement notices received.	0	0
The number of enforcement orders received.	0	0
The number of convictions received.	0	0
Detention dams comply with the Building (Dam Safety) Regulations 2002	Full compliance	Compliant

Assessment of the current condition and lifespan of the stormwater services network

The age and condition of the stormwater services network is provided in the table below and more information can be found in sections 5 and 6 of the Asset Management Plans (AMPs). For full NPDC Asset Management Plans, please go to:

- [2024-stormwater-flood-protection-asset-management-plan.pdf](#)

The 2021 Long-Term Plan (LTP21) projected a spend on capital expenditure to replace existing assets of \$47 million for the 10 year period, with actual expenditure reaching 14% of that forecast for the first 4 years. The estimated renewals backlog in the current (2025) AMP and based on gross capital replacement cost, is approximately \$25 million. NPDC remains committed to the ongoing renewal of its network with the 2024 Long-Term Plan (LTP24) allocating \$67 million for renewals for its 10 year period.

Below ground stormwater asset condition assessment is a mix of CCTV and age-based condition assessment. For stormwater 20% of the network by length had been inspected between 2020 and 2024. \$105,000/yr is allocated for stormwater condition assessments. This equates to 4% of the network being inspected per year at current rates.

For critical assets, Dams are subject to the Building (Dam Safety) Act requirements which captures and addresses condition and renewals. The Mangaotoku diversion tunnel is inspected on a regular basis (2 yearly).

For above ground assets (excluding dams), a number of the assets are routinely inspected (for blockage and the like) but no condition information is recorded. There is no formalised condition assessment program in place for any of the other above ground assets.

There are a number of actions identified within the AMP related to the asset register, criticality, condition assessment and renewals. Some of these actions have progressed while others have been delayed due to restructures and resourcing issues. These will need to be addressed as part of the transition to the new operating model.

The below ground assets are generally considered to be well maintained although some work is needed to identify and incorporate previously undiscovered assets into the maintenance schedule.

Critical asset identification for Stormwater and Flood Protection has been carried out by the Asset Owner, in accordance with the adopted NPDC critical asset definition. The critical assets identified in the table below reflect that. The numbers represent aggregated asset services. Some of these are made up of multiple individual assets.

Parameters	Stormwater
Average age of Network Assets	38 years (Asset Age is Weighted by the GCRC as at March 2025)
Critical Assets	Uncertain Detention dams Waitara war memorial pumpstation Diversion tunnels Critical pipes (specific pipes that have been identified as where a blockage or failure would lead to significant habitable floor flooding due to the lack of a secondary flow path)
Above ground assets • Treatment plant/s • Percentage or number of above ground assets with a condition rating • Percentage of above –ground assets in poor or very poor condition	1 SW pump station 38% 0%
Below ground assets • Total Km of reticulation • Percentage of network with condition grading • Percentage of network in poor or very poor condition	317 Km 96% 10%

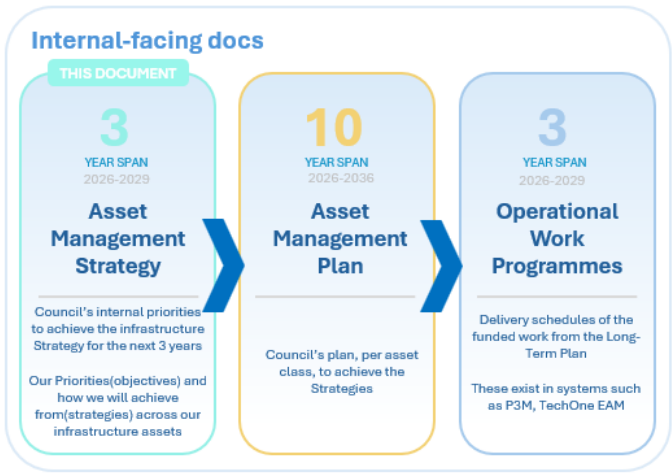
Source: The data in the table is from Taumata Arowai NEPM reporting, as at 30 June 2024.

The data in the text is from the AMP's. These sources differ slightly due to the date upon which the data was obtained.

Asset management approach

Asset Management Framework

NPDC currently aligns its asset management practices with ISO55001/55002 (Asset Management) and ISO 9001 (Quality Management). This approach is documented through a structured hierarchy of documents illustrated in the figure below. These documents are reviewed and updated every three years, in line with the LTP cycle.

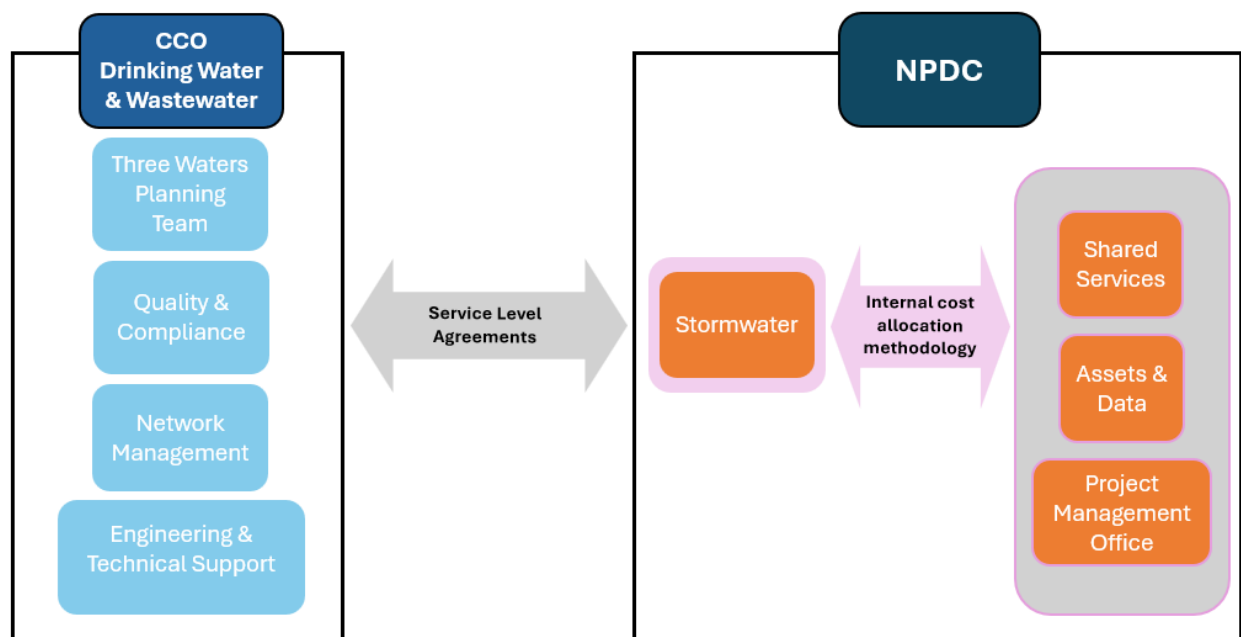


We do not see that this process will change however there will be additional specific external reporting requirements as outlined below.



Service Delivery Mechanisms

The structure of the key teams that deliver the Three Waters activity for council is shown in the figure below. In addition, there are also a number of other teams including Finance, HR, IT etc that the provide supporting services.



The maintenance of the pipe network is undertaken by Citycare Ltd under contract. The operations and expertise regarding the network's functionality are maintained in-house. Maintenance of the pipe network is well understood and covered by maintenance schedules. The creation of detailed maintenance schedules for the mechanical equipment is an ongoing project, with further work required.

The operating cash ratio for stormwater remains throughout all the years of the 10-year Long-Term Plan. This provides a sound financial basis to fully fund the planned renewals investment over the duration of the plan, ensuring the ongoing integrity and performance of the stormwater network.

Asset Management System

Council uses a number of systems to manage its assets, financial information and customer information including:

- TechOne Enterprise Asset Management system (TechOne/ EAM) – manages financial information, customer information and requests, asset registers and history, work order management and maintenance scheduling. It is linked with the TechOne Enterprise Content Management (ECM) system which manages records.
- ArcGIS – manages spatial records (GIS).
- RedEye – manages all drawings including concept, working and as-built drawings.
- SharePoint – supports the sharing of working and in-draft documentation, the collection of data into lists and the sharing of information and processes to internal parties via 'wiki' pages. Resource consents are stored in SharePoint and the system identifies and retrieves consent conditions and provides quality assurance.
- Water Outlook - for gathering and managing the Supervisory Control and Data Acquisition (SCADA) system and processing data.
- Water Online - for reporting compliance data to the Ministry of Health.
- Infoworks WS and ICM - for network modelling.

Identification of Capital Projects

The Three Waters Planning team are responsible for identification of capital projects based on the condition, level of service issues and growth expectations.

Modelling of the stormwater catchments is currently underway and expected to be completed by 2030.

Once the need for a capital project has been identified a business case is developed following the councils Portfolio, Program and Project Management (P3M) Framework and handed over to the Projects team for delivery.

Statement of regulatory compliance

Compliance

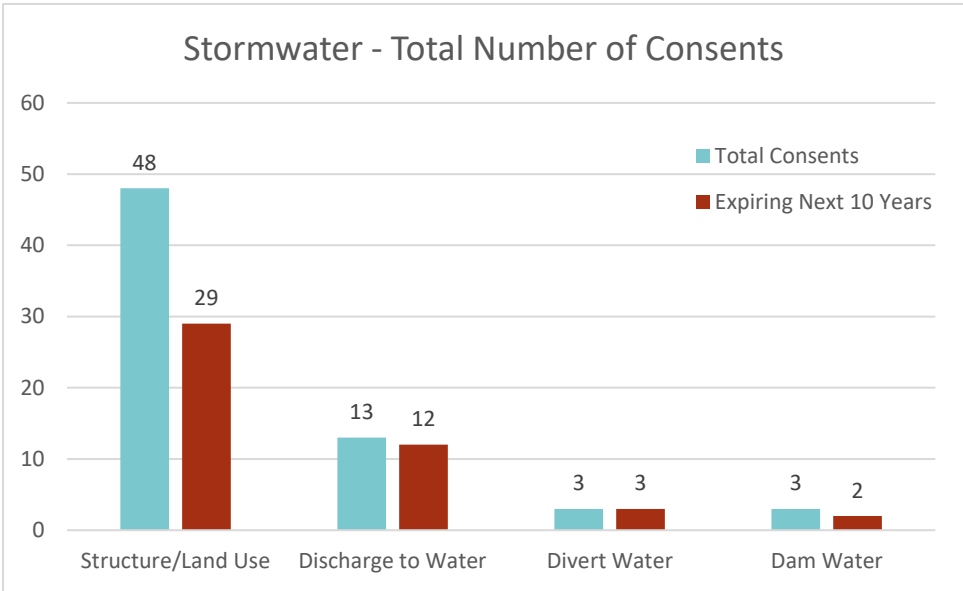
Currently NPDC is compliant with all regulatory requirements with the following exceptions:

- Four abatement notices regarding fish passage at various in-stream culverts in the district. Work to address these is complete and awaiting TRC signoff.
- The Highlands Park Dam is classified as “dangerous” under the Building (Dam Safety) Regulations 2022. Work is underway to determine how this will be addressed and budget has been allowed for implementing the outcome of these investigations by 2034.

More details on NPDC’s compliance are provided in the table on page 16 – ‘Summary of Stormwater Compliance’.

Resource Consents

NPDC currently holds 67 stormwater related environmental resource consents issued by the Taranaki Regional Council. It is anticipated that all activities requiring consent will continue to be compliant with the RMA, whether through existing consents, S124 protection, or new consents as needed.



Active Resource Consent Applications

There are no active consent applications operating under S124, however there are 14 renewals in process for consents expiring in 2026. Additionally, the following new applications are expected within the year:

- Consent for a culvert being installed as part of Patterson Road project works.
- Multiple stormwater structures associated with the daylighting of the Huatoki Stream in the New Plymouth Central Business District.

Consents requiring renewal in the next 10 years.

NPDC has 46 consents expiring over the next 10 years. Of these, 17 expire in 2026 and are currently being processed internally for application submissions by the end of 2025. All consents are considered to be minor and/or low risk with the following exceptions:

- *Consents 5163, 1275, 0609 – To discharge stormwater from industrial areas to water:* These consents expire in 2026, 2026 and 2032 respectively. Based on Iwi expectations, and potential changes to Regional Freshwater Plan, the reconsenting process for industrial stormwater runoff will likely include significant changes to consent conditions, monitoring, and treatment of stormwater. To fund this and similar work \$300,000 per annum is budgeted from 28/29 onwards.

Building (Dam Safety) Regulations 2022

NPDC's flood protection activity (proposed to be included with stormwater) owns and operates four classifiable dams under the Building (Dam Safety) Regulations 2022. The Highlands Park Dam is classified as dangerous as when it was built it did not meet the criteria for a classifiable dam so was not built to meet the requirements of one. Work is currently underway to determine how this will be addressed.

The remaining three dams are currently in the process of getting their Dam Safety Assurance Program approved by TRC. These programs identify minor upgrades that are required for the Huatoki and Mangaotuku Dams and a spillway upgrade for the Waimea Dam. These works have been budgeted for in the LTP.

Anticipated Future Regulatory Requirements

There are currently no anticipated future regulatory requirements that NPDC will not meet, whether Local Waters Done Well, RMA reform or otherwise. However, there are a number of items for which there is potential for compliance challenges depending on the details of the final regulation. These are:

- The Taranaki Regional Freshwater Plan was expected to be updated in 2025. This has the potential to impact on the following:
 - There is potential for significant changes in the way stormwater is consented including the possibility of utilising a comprehensive consent and increased monitoring and treatment requirements. The Council is managing this risk through the development of catchment management plans for all urban areas by 2034 and budgeting \$300,000 per annum for stormwater treatment commencing in year 2028. No allowance has been made for increased monitoring as it is the Council's position that monitoring of stormwater discharges does not provide meaningful data.

Summary of Stormwater Consent Compliance

Parameters	Stormwater Schemes/catchments
Resource Management	
• Significant consents (note if consent is expired and operating on S124)	Four Discharge to water consents, from industrial areas
• Expire in the next 10 years	[See above – statement of Regulatory Compliance]
• Non-compliance:	
• Significant risk non-compliance	[N/A]
• Moderate risk non-compliance	[N/A]
• Low risk non-compliance	[NPDC has four active non-compliances for fish passage that are considered resolved and awaiting signoff]
• Active resource consent applications	[N/A]
• Compliance actions (last 24 months):	
• Warning	[N/A]
• Abatement notice	[EAC-23405, EAC-23407, EAC-23416, EAC-24647, (fish passage)]
• Infringement notice	[N/A]
• Enforcement order	[N/A]
• Convictions	[N/A]

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

This section outlines the capital investment required to deliver stormwater services and ensure compliance with current and emerging regulatory requirements. It provides a summary of the planning status for stormwater — highlighting the key drivers for investment and the significant projects identified. Please note that all project values are presented in uninflated dollars and are distributed across the 30-year horizon of the financial model.

Stormwater

The Highlands Park Dam is currently classified as “dangerous” and does not comply with the Building (Dam Safety) Regulations 2022. Otherwise the stormwater activity is largely compliant with regulatory requirements and significant investment meeting regulatory requirements is not required.

NPDC has recently adopted its Stormwater Vision and Roadmap and is in the process of developing network models and catchment management plans to better understand the network. However, achieving its target level of service and level of protection across the districts urban areas while responding to increased environmental expectations will require substantial investment. This is expected to take generations to address, therefore the investment profile below is one of gradual improvement over the full 30 years with significant work still required after this period. This is expected to be common with most other municipalities around the country.

Given this the key drivers for spend in the stormwater activity are compliance (Highlands Park Dam), addressing flooding, improving environmental outcomes, growth and renewals. The key projects over the next 30yrs are:

- Compliance with Dam Safety Regulations (\$15.8M): Upgrading the Dams to ensure compliance with the Building (Dam safety) Regulations 2022, especially with respect to the Highlands Park Dam and the Waimea Spillway. Optioneering work for this is underway and scheduled to be complete by 2034.
- Waitara Stormwater Upgrades (\$55.1M): There are a number of areas in Waitara that experience regular flooding (both nuisance and habitable floor flooding). This is driven by the originally development approach that gave minimal consideration for how stormwater would be managed. This project is to make progress towards addressing these flooding issues while ensuring that modern environmental considerations are taken into account.
- Estate Grove Stormwater Upgrades (\$5.5M): Upgrading the stormwater system to address flooding issues.
- Mangaone Stormwater Upgrades (\$12M): The creation of stormwater management infrastructure to allow the development of the Smart Rd growth area between 2033 and 2036
- Stormwater Treatment Retrofits (\$7.8M): The retrofitting of stormwater treatment devices to reduce the impact of the stormwater activity on the environment and make progress towards achieving the Stormwater Vision and Roadmap between 2028 and 2054.
- Mangotuku Tunnel Optimisation (\$4.4M): Optimisation of capacity the Mangotuku Stormwater Diversion tunnel intake structure to maximise its effectiveness.
- Puketapu Area Stormwater (\$37M): The creation of stormwater management infrastructure to allow the development of the Puketapu development area.
- Inglewood Stormwater Upgrades (\$50M): Project to reduce flooding while ensuring that modern environmental considerations are taken into account and reduce I&I to the wastewater network in Inglewood

Table below summarises the projected investment for stormwater.

Projected investment in water services (\$K)	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	2,150	1,250	1,690	2,170	3,490	2,300	2,9230	6,600	12,440	7,040
Capital expenditure - to improve levels of services	2,980	7,810	6,500	7,540	8,150	7,870	14,290	18,750	12,950	9,960
Capital expenditure - to replace existing assets	1,260	3,530	5,710	9,830	8,260	6,780	5,940	8,020	7,580	8,120
Total projected investment for stormwater (\$K)	6,390	12,590	13,900	19,540	19,900	16,950	23,160	33,370	32,970	25,120

Historical delivery against planned investment

Historical data of New Plymouth District Council's stormwater delivery is detailed in the table below. Between FY2018/19 and FY2020/21 (LTP18), planned renewal investment in stormwater was low due to a mandate to keep rates increases minimal. However, actual delivery significantly exceeded expectations, reaching 318%, driven by emergency works in response to collapsed pipes (London Terrace, List/Devon Street, Bromley Place, Waiwaka Terrace). During this period, NPDC was transitioning from a reactive to a proactive approach, with the Planning Team newly established in 2019 and beginning to take on responsibility for renewals identification. The team began using CCTV for pipe inspections which lead to the introduction of renewals planning. However initially the team focused on water and wastewater, which were considered critical. The total actual investment for this period exceeded the planned amount due to a reallocation of LTP18 funding, which brought forward capital to cover the installation of a stormwater pipe along SH3 in Waitara. This was timed to align with Waka Kotahi's project schedule.

During the FY2021/22 to FY2023/24 period (LTP21), planned renewal investment increased as the team matured and delivery capability strengthened. 'Fixing our Plumbing' was a major call from the LTP, which helped drive increased funding—particularly for CCTV—to support the identification of renewal candidates. Alongside this, the team continued to address emergency renewals. These combined efforts resulted in a strong delivery performance, achieving 117% of the planned programme.

In FY2024/25, a single-year plan, delivery of renewals dropped to 40% due to the loss of team members and changes in reporting structures during a restructure, which limited the ability to progress renewal planning. Stormwater renewals are inherently complex, requiring consideration across the wider network. To support this, NPDC has initiated a work program to develop hydraulic stormwater models—similar to those used for water and wastewater—to better understand network implications and inform renewal

decisions. Looking ahead, LTP24 includes \$10.5 million in planned stormwater renewals, supported by the implementation of Info360 software to manage the renewals program and the use of AI tool Vapour to analyse CCTV data and assist in developing renewal candidates.

To continue improving delivery, NPDC is investing further in Three Waters planning. For stormwater, this includes the development of Network Models and Catchment Management Plans for all catchments across the District. A panel of four consultants and three contractors has been appointed to support the design and delivery of routine Three Waters projects, helping to streamline workflows and increase capacity. Continuous improvement of the P3M (Portfolio, Programme, and Project Management) Framework and its implementation is also underway to strengthen project governance and delivery consistency. The capital programme has been deliberately structured to minimise peaks and troughs in workload, with smoothing applied across preceding and subsequent years where possible. In instances where workload surges do occur, the panel contracts and use of contract project managers are expected to provide the flexibility needed to absorb the additional demand.

Delivery against planned investment	Renewals investment for stormwater services (\$K)				Total investment in stormwater services (\$K)			
	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)	1,260	5,110	830	7,200	6,390	14,250	16,680	37,320
Total actual investment	506	6,000	4,640	9,146	4,678	6,800	24,288	24,288
Delivery against planned investment (%)	40%	117%	559%	127%	73%	48%	146%	65%

Part C: Revenue and financing arrangements

Revenue and charging arrangements

Revenue and charging arrangements

Charging and billing arrangements

Note: Due to timing this section has been completed based on the financial information in the 2024/34 Long-Term Plan, including regulator levies.

NPDC have a consistent tariff structure across the District. All three waters have ringfenced funding and are run to generate a neutral balance sheet over time. NPDC has identified numerous council services including water, wastewater, stormwater and flood; supported by TechnologyOne software which allows for the grouping of cost centres into council activities.

Stormwater

Current Approach

Funding for the stormwater activity comes from four sources as follows:

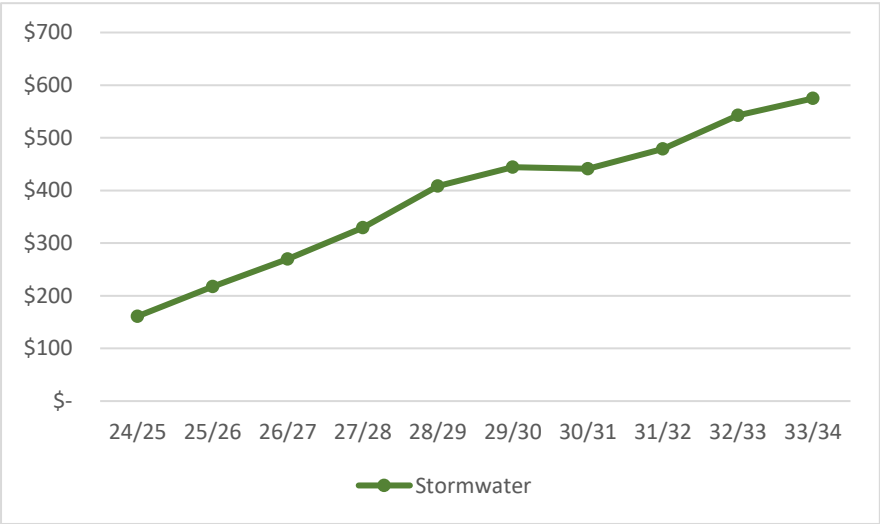
- *General rates* – 50% of the rates requirement comes from general rates.
- *Targeted Rates* - 50% of the rates requirement comes from a targeted rate that only applies to properties in urban areas. This is 0.01206c (excl GST) per dollar of rateable capital value.
- *Development Contributions* - The Council charges a development contribution per Household Equivalent Unit (HUE). There are three components to the charge, a district wide component, an urban component that only applies if the development is within an urban area, and component that only applies to properties within the Waitara or Inglewood Catchments.
- *One-off fees and charges* – The Council charge a fee for obtaining a new sewer connection and disconnection from the network.

Proposed Approach

There are no changes proposed at this time.

Projected users' charges

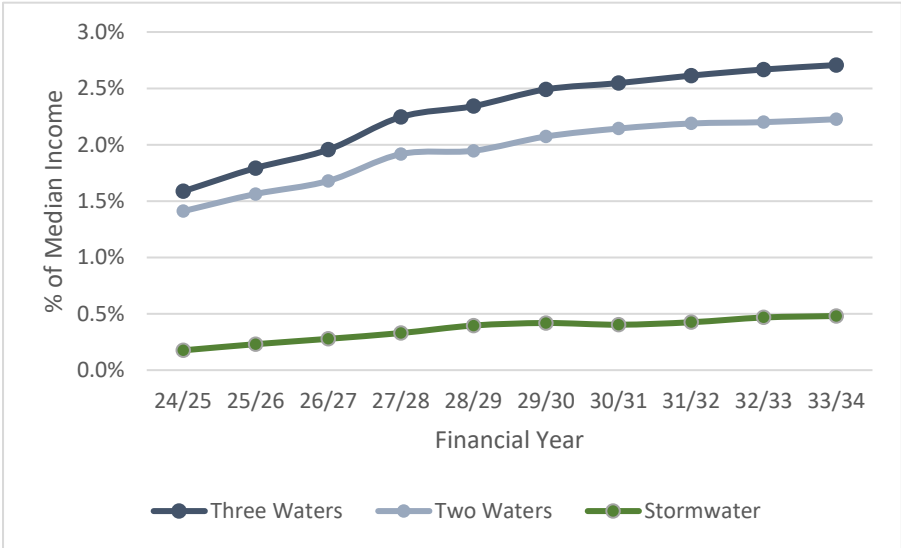
The key projected user charges for stormwater are given in the figure below. These charges include both capital and operational costs and inclusive of GST.



The affordability of projected water services charges for communities

The cost of three waters services is expected to begin at 1.6% of the median household income increasing to 2.7% over 10 years, assuming a 3% annual inflation rate. The accompanying graph reflects the residential user community only, excluding commercial customers.

While this remains below the globally recommended affordability threshold of 4% of household income, it's important to note that approximately 22% of households currently experience affordability challenges. This figure is expected to rise to 35% over the next decade, indicating a growing portion of the community may find water services unaffordable.



Funding and financing arrangements

Funding and financing arrangements

Water services financing requirements and sources

NPDC net debt 'in relation to Three Waters Services' is expected to increase from \$171M to \$322M over the 10 years of the LTP 2024-34.

For the In House Delivery model, working capital would be funded in accordance with the Council Treasury management policy, with invoices for revenue & expenses accounted for on an accruals basis.

The Council limits on debt are:

- NPDC debt servicing limit of 10% of planned revenue.
- NPDC interest expense lower than 12.5% of rates.
- NPDC planned debt lower than 135% of total revenue.
- LGFA debt servicing limit of 20% of planned revenue.
- LGFA interest expense lower than 30% of rates.
- LGFA planned debt lower than 280% of total revenue.
- Council does not currently have a specific limit for 3 waters debt. In the absence of this we have used a 500% debt to revenue ratio as a guide for the balance of this document.

The planned borrowings over the 10 years are within external limits (except for debt affordability benchmark which marginally exceeds the NPDC limit in the last three years of the LTP 2024-34, NPDC will review annually).

The Financial strategy adopted in the LTP 2024-34 is for Revenue to fund operations, renewals capex and debt repayments (with Service level capex being funded from borrowing, and Growth capex funded from future Development Contributions).

NPDC manage entity debt and calculate Council Services debt at annual balance date. The tenor, refinancing, interest rate risk and debt repayment are managed in accordance with the Treasury Management guidelines.

<https://www.npdc.govt.nz/council/strategies-plans-and-policies/policies/treasury-management-policy/>

Internal borrowing arrangements

NPDC manage entity borrowing, at annual balance date the debt balance is calculated per Council Service, with interest and repayment costs.

There is no change to the internal borrowing approach up to and beyond 30 June 2028.

NPDC approach of calculating Council Service debt achieves the ringfencing requirement for annual funding.

Determination of debt attributed to water services

NPDC calculates debt for Council services (from the underlying projects) and maintains a list of required annual repayments per activity.

The total value of stormwater services borrowings plus overdrawn reserves as of the 30th June 2024 was \$20M and the net debt to operating revenue ratio was 448%.

Insurance arrangements

Insurance Arrangements for Stormwater Assets

Stormwater infrastructure will remain insured under NPDC's existing insurance policies unless a decision is made to transfer the assets to NPDC WSCCO. Coverage terms and renewal periods will continue to align with current Council arrangements.

Insurance Coverage Through LAPP and Disaster Protection

NPDC is a contributing member of the Local Authorities Protection Programme (LAPP), which provides insurance coverage for underground Three Waters assets—including stormwater infrastructure affected by natural disasters. Membership includes protection for up to two qualifying events annually, with coverage capped at \$300 million per event. Claims become eligible once damage exceeds \$1 million, which includes a \$400,000 deductible. NPDC is responsible for payment of this deductible once the threshold is met. The majority of NPDC's insured stormwater assets are covered through LAPP.

Annual Review and Future Risk Assessment

Insurance coverage is reviewed annually based on updated financial valuations as provided by third party valuation experts, with provisions made for asset additions throughout the year. A full insurance risk assessment is scheduled for FY 2026/27.

Seismic Risk Modelling and Resilience Planning

Following the October 2022 update to the National Seismic Hazard Model, the Probable Maximum Loss (PML) cover limit was reset and incorporated into insurance planning. LAPP continues to support risk evaluation and loss modelling for water services assets, enabling informed decision-making and resilience planning.

Insurance Management Policy:

Insurance review policy, delegations and reporting – NPDC has an Insurance Framework that is reviewed at least every three years to ensure that it remains fit for purpose in the context of changes in markets, Council assets and activities, and the operating environment generally. After each review, the revised framework is provided to the Finance, Audit and Risk Committee for approval. An annual report is provided to the Finance, Audit and Risk Committee that details

the arrangements made in accordance with this framework and any environmental changes that could impact on those arrangements and the level of confidence that they remain appropriate. This report is provided as soon as reasonably possible following renewal of the insurance programme each year.

Asset identification standards - As part of improving its asset management practice generally the Council is gradually improving the quality of its asset information to facilitate more effective management of its assets. This means that we are now better placed to complete the modelling needed to calculate the Probable Maximum Loss that will likely need to be covered (through a mix of insurance (external and self), and borrowing) potentially as a prerequisite for any central government assistance in the event of a natural disaster. Aside from improving decisions around asset maintenance, renewal, upgrade or replacement, higher quality information will lead to a better understanding of how resilient our assets might be during a significant natural event. This will, in turn, help our insurers to define their risk profile in this region and increase their comfort level about the accuracy of that profile.

Key insurable risks, a description of risk appetite/tolerance and identified mitigations – The Insurance Framework is aligned with Council's Risk Management Framework which outlines the means by which NPDC identifies, monitors and manages risk. Risks that have been identified as higher than Council's risk tolerance are also documented within the relevant Asset Management Plans to ensure future mitigations are appropriately funded.

Links with Council's disaster policy response to mitigate insurance losses - Council maintains a Disaster Recovery Reserve as a 'self-insurance' fund that is available to be called on when uninsured losses are suffered. The reserve seeks to smooth the impact on the community when the Council incurs significantly increased operating costs in recovering from a disaster. There is currently \$2.6m in the fund, increasing to \$12.3m by 2034.

Part D: Financial sustainability assessment

Confirmation of financially sustainable delivery of Stormwater services

Financially sustainable Stormwater services provision

Confirmation of financially sustainable delivery of stormwater services by 30 June 2028

NPDC can confirm that it is currently financially sustainable. Confirmation of financial sustainability includes confirmation that:

- NPDC has sufficient revenue, including servicing of debt, to deliver water services required in the 30yr capital programme.
- The 30-year capital programme includes sufficient investment to meet levels of service, regulatory requirements and provide for growth.
- NPDC has appropriate funding and financing arrangements to fund the 30-year capital programme with additional headroom for unknown investments.

Details and evidence of financial sustainability are included in the remaining sections of Part D

Actions required to achieve financially sustainable delivery of stormwater services

Council is currently achieving financial sustainability. As demonstrated in the graphs below, NPDC will remain well below the legislated net debt to revenue limit and LGFA borrowing covenants

Risks and constraints to achieving financially sustainable delivery of stormwater services

Risk: CAPEX programme is materially different from projection

Mitigation: Programme will be revised quarterly, and debt, interest and affordability projections will be updated accordingly. NPDC has significant headroom before reaching LGFA borrowing covenants to allow taking on additional debt if required.

Risk: Real inflation is higher than projected.

Mitigation: Programme will be revised quarterly, taking into account external factors. NPDC has significant headroom between LGFA debt to revenue limits and DIA financial prudence indicators to allow taking on additional debt if required

Risk: Legislation, particularly in relation to infrastructure standards, is yet to be confirmed.

Mitigation: Legislation is not expected to significantly differ from current approach as in most cases NPDC is consistent with, or ahead of, national best practice.

Risk: Natural disaster could put fiscal pressure on NPDC.

Mitigation: Councils Perpetual Investment Fund provides liquid capital should Council need it.

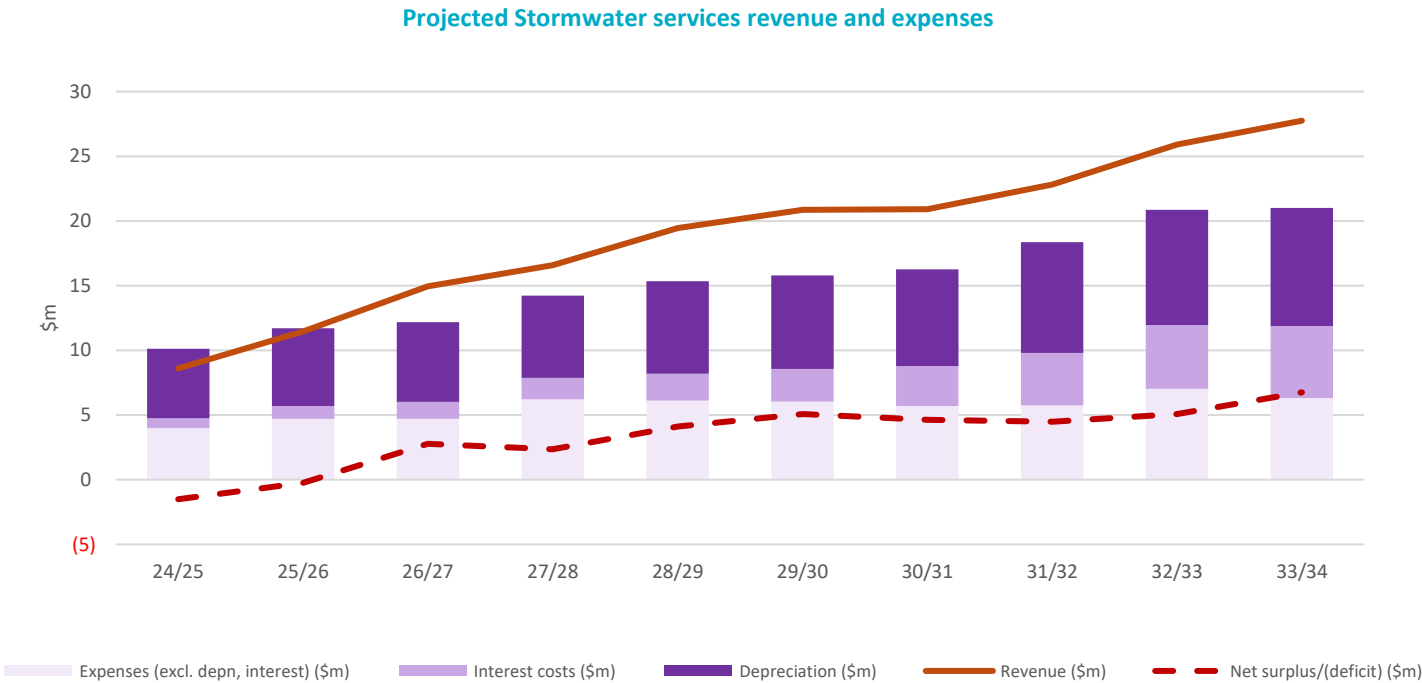
There are no foreseeable constraints on achieving financially sustainable delivery of water services as this is occurring already.

Financially sustainable assessment - revenue sufficiency

Assessment of revenue sufficiency

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

The financial model ensures that stormwater services, as an in-house business unit of New Plymouth District Council, will generate sufficient revenue to cover all expenses, including the required level of investment and ongoing operational costs. This financial sustainability supports the continued delivery of safe, reliable, and regulatory-compliant stormwater services. By maintaining adequate funding, the Council can meet all relevant regulatory standards, manage environmental risks, and invest in infrastructure that supports resilience, public safety, and long-term service performance.



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

Median household income for 2023/24 is \$89,000 and inflated at 3%.

Projected average charge per connection / rating unit (including GST)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Stormwater	161	218	271	330	409	445	442	480	544	576
Average charge per connection / rating unit	161	218	271	330	409	445	442	480	544	576
Increase in average charge	9.9%	35.0%	24.2%	22.0%	23.9%	8.8%	-0.7%	8.6%	13.3%	6.0%
Water services charges as % of median household income	0.18%	0.24%	0.29%	0.34%	0.41%	0.43%	0.42%	0.44%	0.48%	0.50%

Projected operating surpluses/(deficits) for stormwater services

Operating surplus ratio \$K (whether revenues cover costs)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating surplus/(deficit) excluding capital revenues – combined water services	(2,730)	(2,490)	(490)	80	2,340	3,580	3,160	2,970	3,540	5,220
Operating revenue – combined water services	7,380	9,220	11,690	14,300	17,680	19,370	19,430	21,320	24,390	26,220
Operating surplus ratio	(37.0%)	(27.0%)	(4.2%)	0.6%	13.2%	18.5%	16.3%	13.9%	14.5%	19.9%

The NPDC In House Delivery of stormwater model has an 'operating surplus ratio' for the first 3 years that is in deficit.

The NPDC target is to fully fund renewal capital expenditure on a 10 year average basis, our Asset Management Plan developed with the LTP includes a ramping up of Capital expenditure to replace existing assets, these renewals will be partially debt funded for the first few years of the LTP, with the overdrawn reserves being repaid and topped up within the first eight years of the LTP.

Any future surplus that is determined as unnecessary is available to allow a lower rates increase (or higher debt repayments). The NZ contracting supplier chain has passed on some hefty inflation increases over the past few years meaning that the accuracy of expenditure estimates 'are simply the best estimate of the future that we have today'.

Projected operating cash surpluses for stormwater services

Operating cash ratio (whether revenues cover costs) \$K	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating surplus/(deficit) + depreciation + interest costs - capital revenues	3,390	4,530	6,990	8,080	11,560	13,340	13,750	15,580	17,360	19,910
Operating revenue	7,380	9,220	11,690	14,300	17,680	19,370	19,430	21,320	24,390	26,220
Operating cash ratio	45.9%	49.1%	59.8%	56.5%	65.4%	68.9%	70.8%	73.1%	71.2%	75.9%

The NPDC In House Delivery stormwater model has an 'operating cash ratio' that is in surplus across all years. However this is not sufficient in the first three years to meet the Renewals investment required. NPDC chose to keep rates increases affordable meaning these renewals will be debt funded for the first few years of the LTP, with the overdrawn reserves being repaid and topped up within the first eight years of the LTP.

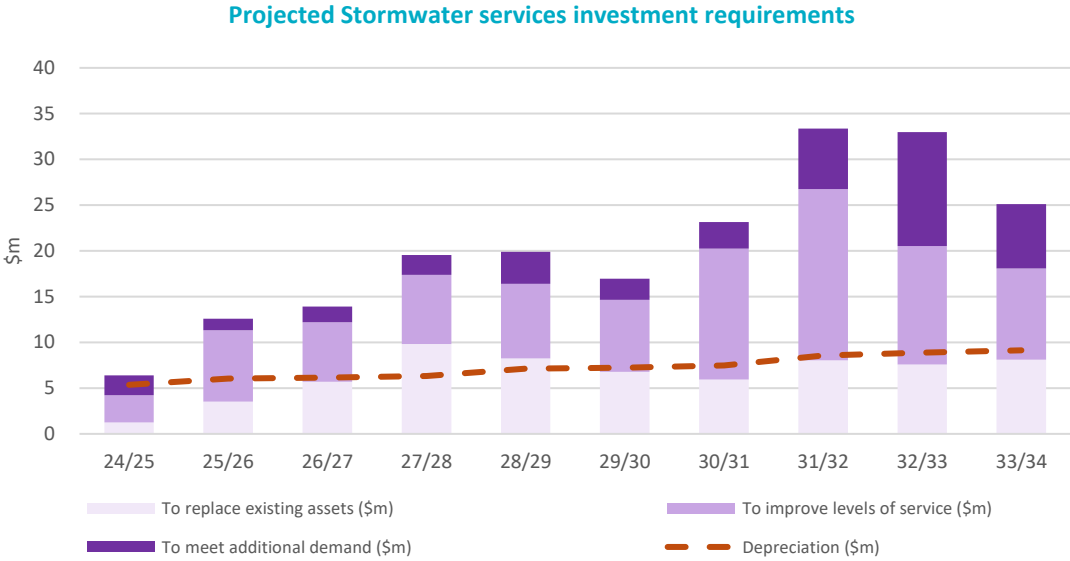
Any future surplus that is determined as unnecessary is available for lower rates increase (or higher debt repayments). The NZ contracting supplier chain has passed on some significant inflation increases over the past few years meaning that the accuracy of expenditure estimates 'are simply the best estimate of the future that we have today'.

Financially sustainable assessment - investment sufficiency

Assessment of investment sufficiency

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

NPDC Asset Management Plan to support the LTP meets all levels of service, regulatory and district growth requirements.
NPDC has sufficient debt headroom to finance the required investments.
The investment sufficiency test has been met by NPDC.



Renewals requirements for stormwater services

Asset sustainability ratio (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Capital expenditure on renewals	1,260	3,530	5,710	9,830	8,260	6,780	5,940	8,020	7,580	8,120
Depreciation	5,360	6,030	6,160	6,340	7,140	7,240	7,480	8,550	8,890	9,130
Asset sustainability ratio	(76.5%)	(41.5%)	(7.3%)	55.0%	15.7%	(6.4%)	(20.6%)	(6.2%)	(14.7%)	(11.1%)

See section 5.3 Renewal Plan of the Three Waters AMPs for details on the forecast renewals spend and supporting information.

As identified above there is an acknowledged backlog of renewals. To address this spending increases from 1.2M to around 8M over the first 5 years. However, the driver for the negative asset sustainability ratio from 2030/31 onwards is currently unclear as the method used to determine the renewals budget indicates it should be positive from 2026 onwards. Further work will be required to understand and address this issue. If additional investment is required adequate debt headroom is available to make this affordable if the council were to raise their self-imposed interest to revenue limits.

Total stormwater services investment required over 10 years

Asset investment ratio (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total capital expenditure	6,390	12,590	13,900	19,540	19,900	16,950	23,160	33,370	32,970	25,120
Depreciation	5,360	6,030	6,160	6,340	7,140	7,240	7,480	8,550	8,890	9,130
Asset investment ratio	19.2%	108.8%	125.6%	208.2%	178.7%	134.1%	209.6%	290.3%	270.9%	175.1%

The planning process for stormwater is still relatively immature and many of the investments required are speculative. However, these stormwater investments are also discretionary in that the driver is to assess flooding issues and improve environmental outcomes that will take generations to address due to the level of investment required.

The Asset investment ratio over the 10 period is positive and unchanged from the infrastructure strategy, LTP and asset management plans.

Average remaining useful life of network assets

Asset consumption ratio	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Book value of water infrastructure assets	307,110	320,426	335,857	356,781	377,390	395,026	418,606	451,798	484,462	509,657
Replacement value of water infrastructure assets	546,154	570,760	598,358	631,660	665,457	696,381	733,469	781,508	829,327	870,204
Asset consumption ratio	56.2%	56.1%	56.1%	56.5%	56.7%	56.7%	57.1%	57.8%	58.4%	58.6%

- [See section 5.3 Renewal Plan of the Three Waters AMPs for details on remaining useful life of assets, renewals backlog and forecast expenditure.](#)

The Asset consumption ratio holds steady at around 57% over the 10 years.

NPDC records remaining life and could calculate a weighted average remaining life.

Financially sustainable assessment - financing sufficiency

Assessment of financing sufficiency																																																																																																															
Confirmation that sufficient funding and financing can be secured to deliver stormwater services																																																																																																															
The required levels of borrowing can be sourced. This is based on the assumption council will have the ability to borrow internally, subject to overall WoC borrowing limits not being breached.																																																																																																															
Projected <u>council</u> borrowings against borrowing limits	Projected <u>stormwater services</u> borrowings against borrowing limits																																																																																																														
Projected council net debt to operating revenue This chart displays projected council financial metrics from 2024/25 to 2033/34. The left y-axis represents Net debt (\$m) from 0 to 1,500. The right y-axis represents Net debt to operating revenue (%) from 0% to 360%. The x-axis lists fiscal years. A solid purple line shows Total operating revenue (\$m) increasing from ~\$200m to ~\$350m. A solid grey line shows Net debt (\$m) increasing from ~\$100m to ~\$1,050m. A dashed orange line shows Net debt to operating revenue (%) increasing from ~60% to ~300%. A horizontal dashed red line at ~\$1,150m represents the Debt headroom to limit (\$m). <table><tr><th>Fiscal Year</th><th>Total operating revenue (\$m)</th><th>Net debt (\$m)</th><th>Net debt to operating revenue (%)</th><th>Debt headroom to limit (\$m)</th></tr><tr><td>24/25</td><td>200</td><td>100</td><td>60%</td><td>1150</td></tr><tr><td>25/26</td><td>210</td><td>110</td><td>70%</td><td>1150</td></tr><tr><td>26/27</td><td>220</td><td>120</td><td>80%</td><td>1150</td></tr><tr><td>27/28</td><td>230</td><td>130</td><td>90%</td><td>1150</td></tr><tr><td>28/29</td><td>240</td><td>140</td><td>100%</td><td>1150</td></tr><tr><td>29/30</td><td>250</td><td>150</td><td>110%</td><td>1150</td></tr><tr><td>30/31</td><td>260</td><td>160</td><td>120%</td><td>1150</td></tr><tr><td>31/32</td><td>270</td><td>170</td><td>130%</td><td>1150</td></tr><tr><td>32/33</td><td>280</td><td>180</td><td>140%</td><td>1150</td></tr><tr><td>33/34</td><td>290</td><td>190</td><td>150%</td><td>1150</td></tr></table>	Fiscal Year	Total operating revenue (\$m)	Net debt (\$m)	Net debt to operating revenue (%)	Debt headroom to limit (\$m)	24/25	200	100	60%	1150	25/26	210	110	70%	1150	26/27	220	120	80%	1150	27/28	230	130	90%	1150	28/29	240	140	100%	1150	29/30	250	150	110%	1150	30/31	260	160	120%	1150	31/32	270	170	130%	1150	32/33	280	180	140%	1150	33/34	290	190	150%	1150	Projected stormwater services net debt to operating revenue This chart displays projected stormwater services financial metrics from 2024/25 to 2033/34. The left y-axis represents Net debt (\$m) from 0 to 150. The right y-axis represents Net debt to operating revenue (%) from 0% to 560%. The x-axis lists fiscal years. A solid purple line shows Total operating revenue (\$m) increasing from ~\$10m to ~\$25m. A solid grey line shows Net debt (\$m) increasing from ~\$20m to ~\$120m. A dashed orange line shows Net debt to operating revenue (%) increasing from ~200% to ~480%. A horizontal dashed red line at ~\$80m represents the Debt headroom to limit (\$m). <table><tr><th>Fiscal Year</th><th>Total operating revenue (\$m)</th><th>Net debt (\$m)</th><th>Net debt to operating revenue (%)</th><th>Debt headroom to limit (\$m)</th></tr><tr><td>24/25</td><td>10</td><td>20</td><td>200%</td><td>80</td></tr><tr><td>25/26</td><td>11</td><td>22</td><td>220%</td><td>80</td></tr><tr><td>26/27</td><td>12</td><td>24</td><td>240%</td><td>80</td></tr><tr><td>27/28</td><td>13</td><td>26</td><td>260%</td><td>80</td></tr><tr><td>28/29</td><td>14</td><td>28</td><td>280%</td><td>80</td></tr><tr><td>29/30</td><td>15</td><td>30</td><td>300%</td><td>80</td></tr><tr><td>30/31</td><td>16</td><td>32</td><td>320%</td><td>80</td></tr><tr><td>31/32</td><td>17</td><td>34</td><td>340%</td><td>80</td></tr><tr><td>32/33</td><td>18</td><td>36</td><td>360%</td><td>80</td></tr><tr><td>33/34</td><td>19</td><td>38</td><td>380%</td><td>80</td></tr></table>	Fiscal Year	Total operating revenue (\$m)	Net debt (\$m)	Net debt to operating revenue (%)	Debt headroom to limit (\$m)	24/25	10	20	200%	80	25/26	11	22	220%	80	26/27	12	24	240%	80	27/28	13	26	260%	80	28/29	14	28	280%	80	29/30	15	30	300%	80	30/31	16	32	320%	80	31/32	17	34	340%	80	32/33	18	36	360%	80	33/34	19	38	380%	80
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26/27	12	24	240%	80																																																																																																											
27/28	13	26	260%	80																																																																																																											
28/29	14	28	280%	80																																																																																																											
29/30	15	30	300%	80																																																																																																											
30/31	16	32	320%	80																																																																																																											
31/32	17	34	340%	80																																																																																																											
32/33	18	36	360%	80																																																																																																											
33/34	19	38	380%	80																																																																																																											

Projected borrowings for stormwater services

Net debt to operating revenue (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Net debt attributed to stormwater (gross debt less cash)	22,355	29,165	34,145	44,985	53,625	58,255	69,305	89,655	108,665	117,905
Operating revenue – stormwater	7,380	9,220	11,690	14,300	17,680	19,370	19,430	21,320	24,390	26,220
Net debt to operating revenue %	303%	316%	292%	315%	303%	301%	357%	421%	446%	450%

NPDC utilises debt drawdowns to manage day-to-day cashflow requirements, in line with the Treasury Management Policy. The Council's net debt to operating revenue remains within the proposed borrowing limit for Water Services.

Borrowing headroom/(shortfall) for stormwater services

Borrowing headroom/(shortfall) against limit (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating revenue	7,380	9,220	11,690	14,300	17,680	19,370	19,430	21,320	24,390	26,220
Debt to revenue limit for water services (%)	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt at borrowing limit	36,900	46,100	58,450	71,500	88,400	96,850	97,150	106,600	121,950	131,100
Projected net debt attributed to water services	22,355	29,165	34,145	44,985	53,625	58,255	69,305	89,655	108,665	117,905
Borrowing headroom/(shortfall) against limit	14,545	16,935	24,305	26,515	34,775	38,595	27,845	16,945	13,285	13,195

To support day-to-day cashflow requirements, NPDC draws down debt in accordance with its Treasury Management Policy. While there is currently no formally agreed borrowing limit for Water Services, NPDC's net debt to operating revenue remains within the proposed proxy limit of 500%. This proxy is being used as an interim benchmark until Council provides formal guidance, which will be necessary as the financial structure evolves following the shift of water and wastewater services to the WSCOO.

Free funds from operations

Free funds from operations (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projected net debt attributed to water services	22,355	29,165	34,145	44,985	53,625	58,255	69,305	89,655	108,665	117,905
Projected free funds from operations – water services	2,630	3,540	5,670	6,420	9,480	10,820	10,640	11,520	12,430	14,350
Free funds from operations to net debt ratio	11.8%	12.1%	16.6%	14.3%	17.7%	18.6%	15.4%	12.8%	11.4%	12.2%

The NPDC FFO ratio increases over time, this is in line with the NPDC Financial Strategy to increase Rates income to fund Renewals Capital expenditure.

Part E: Projected financial statements for stormwater services

Projected funding impact statement

Funding impact statement (\$k)	FY23/24	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	4,410	3,840	4,940	6,700	8,070	9,600	10,460	10,580	11,710	13,470	14,870
Targeted rates	-	3,210	4,270	4,980	6,220	8,070	8,900	8,840	9,600	10,910	11,340
Subsidies and grants for operating purposes	-	320	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	10	10	10	10	10	10	10	10	10	10	10
Total operating funding	4,420	7,380	9,220	11,690	14,300	17,680	19,370	19,430	21,320	24,390	26,220
Applications of operating funding											
Payments to staff and suppliers	1,620	2,380	2,890	2,940	4,370	4,230	4,100	3,750	3,790	5,060	4,300
Finance costs	550	760	990	1,320	1,660	2,080	2,520	3,110	4,060	4,930	5,560
Internal charges and overheads applied	990	1,610	1,800	1,760	1,850	1,890	1,930	1,930	1,950	1,970	2,010
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	3,160	4,750	5,680	6,020	7,880	8,200	8,550	8,790	9,800	11,960	11,870
Surplus/(deficit) of operating funding	1,260	2,630	3,540	5,670	6,420	9,480	10,820	10,640	11,520	12,430	14,350
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-

Development and financial contributions	350	1,220	2,240	3,250	2,280	1,780	1,500	1,470	1,500	1,530	1,530
Increase/(decrease) in debt	3,110	3,550	6,390	4,320	6,640	8,890	7,490	14,350	22,130	21,690	12,950
Gross proceeds from sales of assets	400	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	3,860	4,770	8,630	7,570	8,920	10,670	8,990	15,820	23,630	23,220	14,480
Applications of capital funding											
Capital expenditure - to meet additional demand	1,510	2,150	1,250	1,690	2,170	3,490	2,300	2,930	6,600	12,440	7,040
Capital expenditure - to improve levels of services	2,230	2,980	7,810	6,500	7,540	8,150	7,870	14,290	18,750	12,950	9,960
Capital expenditure - to replace existing assets	700	1,260	3,530	5,710	9,830	8,260	6,780	5,940	8,020	7,580	8,120
Increase/(decrease) in reserves	680	1,010	(420)	(660)	(4,200)	250	2,860	3,300	1,780	2,680	3,710
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	5,120	7,400	12,170	13,240	15,340	20,150	19,810	26,460	35,150	35,650	28,830
Surplus/(deficit) of capital funding	(1,260)	(2,630)	(3,540)	(5,670)	(6,420)	(9,480)	(10,820)	(10,640)	(11,520)	(12,430)	(14,350)
Funding balance	0	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Statement of comprehensive revenue and expense (\$k)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	4,420	7,380	9,220	11,690	14,300	17,680	19,370	19,430	21,320	24,390	26,220
Other revenue	750	1,220	2,240	3,250	2,280	1,780	1,500	1,470	1,500	1,530	1,530

Total revenue	5,170	8,600	11,460	14,940	16,580	19,460	20,870	20,900	22,820	25,920	27,750
Operating expenses	1,620	2,380	2,890	2,940	4,370	4,230	4,100	3,750	3,790	5,060	4,300
Finance costs	550	760	990	1,320	1,660	2,080	2,520	3,110	4,060	4,930	5,560
Overheads and support costs	990	1,610	1,800	1,760	1,850	1,890	1,930	1,930	1,950	1,970	2,010
Depreciation & amortisation	5,230	5,360	6,030	6,160	6,340	7,140	7,240	7,480	8,550	8,890	9,130
Total expenses	8,390	10,110	11,710	12,180	14,220	15,340	15,790	16,270	18,350	20,850	21,000
Net surplus / (deficit)	(3,220)	(1,510)	(250)	2,760	2,360	4,120	5,080	4,630	4,470	5,070	6,750
Revaluation of infrastructure assets	0	8,915	6,756	7,690	7,725	7,849	7,925	7,901	8,372	8,584	9,205
Total comprehensive income	(3,220)	7,405	6,506	10,450	10,085	11,969	13,005	12,531	12,842	13,654	15,955
Cash surplus / (deficit) from operations (excl depreciation)	2,010	3,850	5,780	8,920	8,700	11,260	12,320	12,110	13,020	13,960	15,880

Projected statement of cashflows

Projected statement of cashflows - water services (\$K)	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities											
Cash surplus/(deficit) from operations	2,010	3,850	5,780	8,920	8,700	11,260	12,320	12,110	13,020	13,960	15,880
Net cashflows from operating activities	2,010	3,850	5,780	8,920	8,700	11,260	12,320	12,110	13,020	13,960	15,880
Cashflows from investing activities											
Capital expenditure – infrastructure assets	(4,440)	(6,390)	(12,590)	(13,900)	(19,540)	(19,900)	(16,950)	(23,160)	(33,370)	(32,970)	(25,120)
Net cashflows from investing activities	(4,440)	(6,390)	(12,590)	(13,900)	(19,540)	(19,900)	(16,950)	(23,160)	(33,370)	(32,970)	(25,120)
Cashflows from financing activities											
New borrowings	3,110	3,550	6,390	4,320	6,640	8,890	7,490	14,350	22,130	21,690	12,950
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-	-
Net cashflows from financing activities	3,110	3,550	6,390	4,320	6,640	8,890	7,490	14,350	22,130	21,690	12,950
Net increase/(decrease) in cash and cash equivalents	680	1,010	(420)	(660)	(4,200)	250	2,860	3,300	1,780	2,680	3,710
Cash and cash equivalents at beginning of year	4,337	5,017	6,027	5,607	4,947	747	997	3,857	7,157	8,937	11,617
Cash and cash equivalents at end of year	5,017	6,027	5,607	4,947	747	997	3,857	7,157	8,937	11,617	15,327

Projected statement of financial position

Projected statement of financial position (\$K)	FY2023/24	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets											
Cash and cash equivalents	5,017	6,027	5,607	4,947	747	997	3,857	7,157	8,937	11,617	15,327
Infrastructure assets	297,165	307,110	320,426	335,857	356,781	377,390	395,026	418,606	451,798	484,462	509,657
Total assets	302,182	313,137	326,033	340,804	357,528	378,387	398,883	425,763	460,735	496,079	524,984
Liabilities											
Borrowings – current portion	-	-	-	-	-	-	-	-	-	-	-
Borrowings – non-current portion	24,832	28,382	34,772	39,092	45,732	54,622	62,112	76,462	98,592	120,282	133,232
Total liabilities	24,832	28,382	34,772	39,092	45,732	54,622	62,112	76,462	98,592	120,282	133,232
Net assets											
Equity											
Revaluation reserves	308,038	316,953	323,710	331,400	339,125	346,974	354,899	362,800	371,172	379,756	388,961
Other reserves	(30,688)	(32,198)	(32,448)	(29,688)	(27,328)	(23,208)	(18,128)	(13,498)	(9,028)	(3,958)	2,792
Total equity	277,350	284,755	291,261	301,712	311,796	323,765	336,771	349,301	362,143	375,797	391,752

Water Services Delivery Plan: additional information

Significant capital projects

Significant capital projects

Significant capital projects – stormwater

Significant capital projects – stormwater (\$K)	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										
Waitara Stormwater Upgrades	60.3	180.4	160.2	59.9	-	-	-	-	-	-
Stormwater Services For Subdivisions In Unserved	159.7	163.2	167.1	170.9	174.7	178.4	182.1	185.8	189.5	193.1
Stormwater Vision and Roadmap and CMP PROGRAMME	-	-	-	-	929.8	949.3	969.3	988.7	1008.5	-
Patterson Road Culvert Replacement	871.4	-	-	-	-	-	-	-	-	-
Stormwater Network Modelling - Project	1016.1	868.4	889.3	909.7	-	-	-	-	-	-
Mangaone Flood Management - Concept and Land Purchase	-	-	-	-	1127.1	-	-	-	-	-
Mangaone Flood Management – Implementation	-	-	-	-	-	-	-	-	6112.5	-
Puketapu Area Stormwater - Phase 1	40.2	41.1	259.3	365.6	586.1	478.7	1069.3	950.4	238.4	-
Inglewood Stormwater Remedial - PROGRAMME	-	-	215.6	661.7	676.3	690.5	705.0	1198.5	1222.5	1245.7
Puketapu Area Stormwater - Phase 2	-	-	-	-	-	-	-	3271.9	3667.5	5605.7
Total investment to meet additional demand (\$K)	2,147.7	1,253.1	1,691.5	2,167.8	3,494.0	2,296.9	2,925.7	6,595.3	12,438.9	7,044.5
Projects to improve levels of services										
Waitara Stormwater Upgrades	1447.0	4328.6	3843.9	1438.7	-	-	-	-	-	-
Stormwater Vision and Roadmap and CMP PROGRAMME	-	-	-	-	232.4	237.3	242.3	247.2	252.1	-

Stormwater Reticulation Minor Augmentations	154.5	157.9	161.7	165.4	169.1	172.6	176.3	179.8	183.4	186.9
Patterson Road Culvert Replacement	55.6	-	-	-	-	-	-	-	-	-
Stormwater Network Modelling - Project	254.0	217.1	222.3	227.4	-	-	-	-	-	-
Patterson Rd stormwater catchment	618.0	2105.4	-	-	-	-	-	-	-	-
Stormwater Treatment Retrofits PROGRAMME	-	-	-	-	338.1	345.2	352.5	359.6	366.8	373.7
Stormwater Catchment Management Planning	-	-	-	1470.4	1502.8	1534.4	-	-	-	-
Tangaroa Restoration - Section 7 Pennington Park	160.0	-	-	-	-	-	-	-	-	-
Mangaotuku Diversion Tunnel Optimisation	-	-	-	-	-	-	-	479.4	4890.0	-
Remedial Works from CMP	-	-	-	-	-	-	-	2397.0	2445.0	2491.4
Puketapu Area Stormwater - Phase 1	268.8	274.8	1735.0	2446.6	3922.3	3203.8	7155.8	6360.4	1595.4	-
Tangaroa Restoration - Section 8 Marsh	160.0	-	-	-	-	-	-	-	-	-
Inglewood Stormwater Remedial - PROGRAMME	-	-	539.0	1654.2	1690.7	1726.2	1762.5	2996.3	3056.3	3114.3
Dams Safety Regulations Compliance - PROGRAMME	179.2	732.7	-	143.9	294.2	650.8	4600.1	5734.8	159.5	3793.2
Total investment to meet improve levels of services (\$K)	3,297.1	7,816.5	6,501.9	7,546.6	8,149.6	7,870.3	14,289.5	18,754.5	12,948.5	9,959.5
Projects to replace existing assets										
Resource Consent Renewals Stormwater	24.7	530.6	230.7	687.0	-	-	-	353.6	619.8	264.1
Stormwater Reticulation Renewals Budget	1030.0	2697.0	2809.3	4447.0	6434.0	5440.4	3980.3	4794.0	4890.0	4982.8
Augmentation of Stormwater network in Estate Grove	-	-	2156.0	3308.4	563.6	-	-	-	-	-
Inglewood Stormwater Remedial - PROGRAMME	-	-	323.4	992.5	1014.4	1035.7	1057.5	1797.8	1833.8	1868.6
Monitoring equipment at Detention Dams	133.9	136.9	140.1	297.8	146.5	149.6	152.8	155.8	158.9	336.3
Flood Control Planned P&E Renewals	51.5	52.6	53.9	82.7	56.4	57.5	58.8	59.9	61.1	93.4

Dams Safety Regulations Compliance - PROGRAMME	26.8	109.5	-	21.5	44.0	97.2	687.4	856.9	23.8	566.8
Total investment to replace existing assets	1,266.9	3,526.6	5,713.4	9,836.9	8,258.9	6,780.4	5,936.8	8,018.0	7,587.4	8,112.0
Total investment in stormwater assets	6,711.7	12,596.2	13,906.8	19,551.3	19,902.5	16,947.6	23,152.0	33,367.8	32,974.8	25,116.0

Risks and assumptions

Disclosure of risks and material assumptions for stormwater services delivery

Stormwater services will remain an in-house business unit and will continue to be governed by the Council's corporate risk register. The Council's Risk Management Framework provides a consistent and structured approach to identifying, assessing, and managing risks across all activities and levels of decision-making. This framework recognises that risk is inherent in all operations and ensures that stormwater-related risks are actively monitored and addressed. As part of this approach, stormwater risks will be regularly reviewed and updated within the corporate risk register to support informed planning, climate resilience, and infrastructure delivery.

Parameters	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	See Stormwater and Flood Protection AMP section 6.2 • Lack of understanding of the stormwater network, flood risk and stream health • Key infrastructure asset failure due to inadequate preventative maintenance/renewal • Failure to meet level of service or level of protection leading to flooding, asset damage and community impact • Stormwater inflow to the wastewater network resulting in overflows • Insufficient planning for growth • Delays and increased cost due to lack of systems, processes and competence for increased engagement with Tangata whenua • Unrecorded assets will not be appropriately managed • <i>Insufficient training and checks and balances in place – breach of RMA provisions</i> • Dam safety and compliance risks
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	• Growth projection • Ability to adapt to changing legislation without significant funding or process changes • Accuracy of modelling • Climate change

Appendix A: Council resolution – Adoption of Water Services Delivery Plan

The following resolution was carried at the Council meeting held on 12 August 2025

Adoption of Water Services Delivery Plans for NPDC WSCCO and In-House Stormwater Management

C/2025/095
ECM9543947

The matter for consideration is the adoption of Water Services Delivery Plans (WSDPs) for delivering three water services. One WSDP shows how the New Plymouth District Council Waters Services Council Controlled Organisation (WSCCO) will manage and deliver drinking water and wastewater services. The other plan shows how the New Plymouth District Council will manage the in-house delivery of stormwater services. Both documents are scheduled for submission to Central Government by the statutory deadline of 3 September 2025.

Council Resolution

Mayor Holdom)

Cr Duynhoven)

That having considered all matters raised in the report, Council:

- a) Notes the obligation to adopt and submit Water Services Delivery Plans to Central Government by 3 September 2025 under the Local Water Done Well framework.
- b) Adopts the following Water Services Delivery Plans:
 - i) NPDC WSCCO WSDP – for delivery of drinking water and wastewater services via a CCO
 - ii) NPDC In-house Delivery WSDP – for inhouse delivery of stormwater services
- c) Authorises the Chief Executive Officer to make minor changes (if required) to the Water Services Delivery Plans to enable certification.

Carried