



Te Kaunihera-a-Rohe o Ngāimotu

**New Plymouth
District Council**

Water Services Delivery Plan

**New Plymouth District Council
Water Services Council-Controlled
Organisation for drinking water and
wastewater**

Contents

Part A: Statement of financial sustainability, delivery model, implementation plan and assurance.....	4
Proposed delivery model	4
Implementation Plan	6
Consultation and engagement	8
Assurance and adoption of the Plan.....	12
Part B: Network performance.....	13
Investment to meet levels of service, regulatory standards and growth needs.....	13
Served population	13
Served areas	16
Assessment of the current condition and lifespan of the water services network.....	19
Asset management approach	21
Statement of regulatory compliance	23
Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements	28
Historical delivery against planned investment	31
Part C: Revenue and financing arrangements	33
Revenue and charging arrangements.....	33
Charging and billing arrangements	33
Projected users' charges	34
The affordability of projected water services charges for communities	35
Funding and financing arrangements	36
Water services financing requirements and sources	36
Internal borrowing arrangements.....	36
Determination of debt attributed to water services.....	36
Insurance arrangements	37
Part D: Financial sustainability assessment	39
Confirmation of financially sustainable delivery of water services	39
Confirmation of financially sustainable delivery of water services by 30 June 2028.....	39
Actions required to achieve financially sustainable delivery of water services	39
Risks and constraints to achieving financially sustainable delivery of water services	39
Financially sustainable assessment - revenue sufficiency	40
Projected water services revenues cover the projected costs of delivering water services.....	40
Average projected charges for water services over FY2024/25 to FY2033/34	41
Projected operating surpluses/(deficits) for drinking water and wastewater services	42
Projected operating cash surpluses for water services.....	43
Financially sustainable assessment - investment sufficiency	44
Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth	44
Renewals requirements for water services.....	45
Total water services investment required over 10 years	46
Average remaining useful life of network assets	47

Financially sustainable assessment - financing sufficiency	48
Confirmation that sufficient funding and financing can be secured to deliver water services.....	48
Projected borrowings for water services	49
Borrowing headroom/(shortfall) for water services	49
Part E: Projected financial statements for water services	50
Projected funding impact statement	50
Projected statement of comprehensive revenue and expense	52
Projected statement of cashflows.....	53
Projected statement of financial position	54
Water Services Delivery Plan: additional information	55
Significant capital projects	55
Significant capital projects – drinking water	55
Significant capital projects – wastewater	57
Risks and assumptions	62
Appendix A: Council resolution – Adoption of Water Services Delivery Plan.....	63

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

The New Plymouth District Council's (NPDC) preferred delivery model for water and wastewater is by way of an asset owning Water Services Council Controlled Organisation (WSCCO). Stormwater (including flood protection) will be retained in house. The option of the WSCCO delivering the stormwater and flood protection services under contract will be explored as part of the establishment process. As such a separate WSDP for stormwater delivery has been prepared the accompanies this document.

NPDC intends to complete transitional arrangements by way of establishing WSCCO governance, service level agreements with Council and the introduction of the new planning and accountability framework for water services by 30 June 2026.

NPDC can confirm that a NPDC WSCCO meets the financial sustainability requirements, specifically:

- Projected waters revenue is sufficient to cover the costs of delivering water services, 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 Local Government Funding Agency (LGFA) covenants.

Proposed delivery model

Proposed model to deliver financially sustainable water services

The proposed model to deliver water services

NPDC intends to deliver drinking water & wastewater services independently through the creation of a WSCCO. It remains open to exploring the inclusion of additional councils' water delivery services in the future.

NPDC's decision to establish a Water Services Council-Controlled Organisation (WSCCO) sets the foundation for a more responsive and future-focused approach to water and wastewater service delivery. This model is designed to meet rising regulatory expectations and economic pressures, while allowing room for future service enhancements.

The WSCCO will streamline operations, reduce duplication, and enable smarter infrastructure investment. With a focus on long-term planning, it ensures capital is directed to the most critical areas, supporting compliance and protecting public and environmental health.

Improved financial transparency and governance will help NPDC access external funding and manage resources more effectively. The WSCCO will also build specialist capability, strengthen asset management, and improve service reliability and emergency response.

Ultimately, this change enhances NPDC's ability to deliver high-quality water services and invest in the infrastructure needed to support future growth.

As part of the establishment of the WSCCO, water services revenues will be separated from other council financials.

The WSCCO will be governed by a Professional Board chosen by NPDC Councillors driven by a Statement of Expectations and a corresponding Statement of Intent as per the figure below.

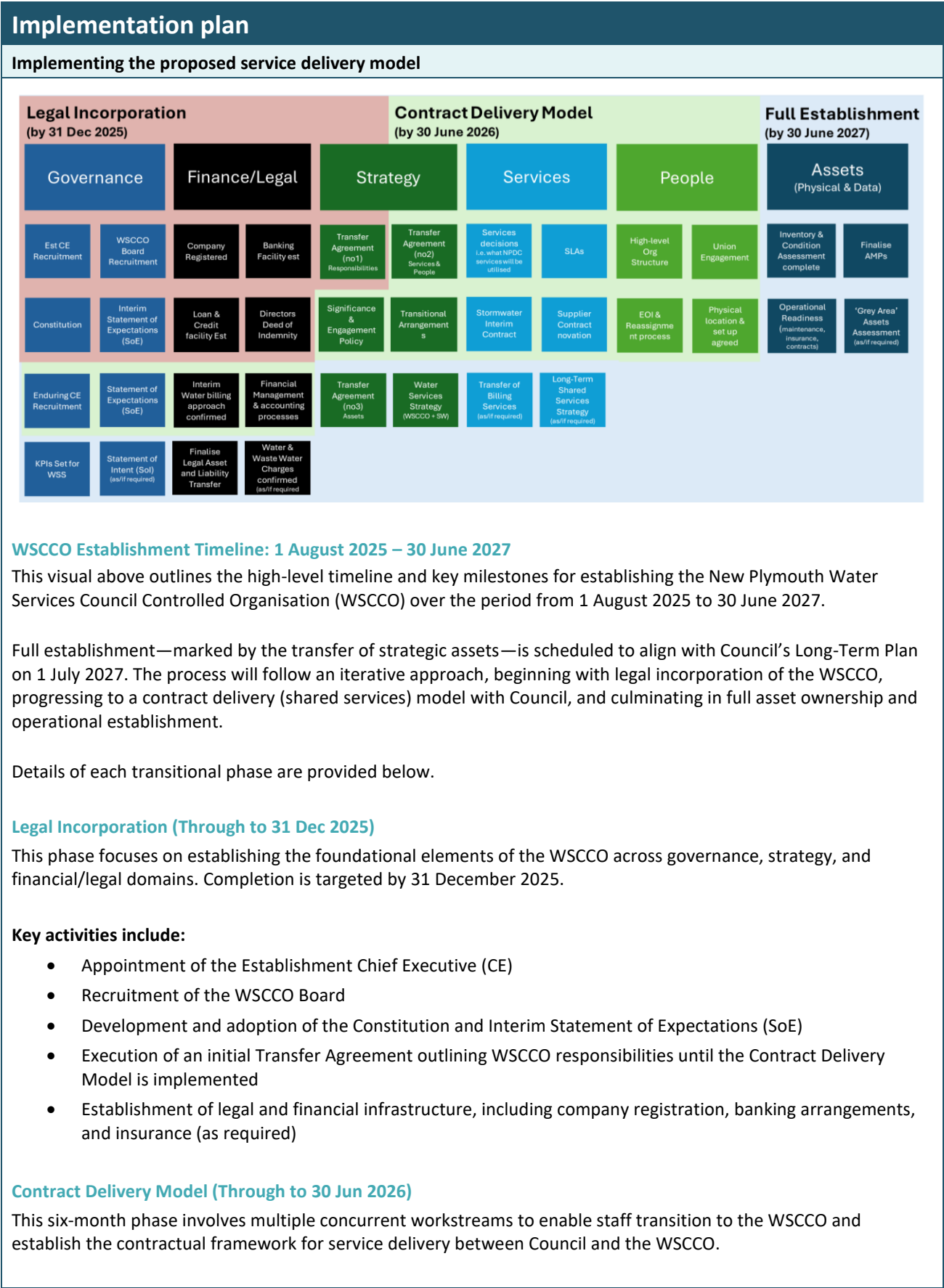


A NPDC WSCCO was chosen as our preferred delivery model due to the following:

- a) Our regional partners South Taranaki and Stratford District Councils elected to adopt in house delivery models thereby eliminating the option to create a Regional WSCCO which was the preferred model.
- b) A NPDC WSCCO is financially sustainable, supported by modelling that confirms it meets the LGFA's confirmed covenants. These include maintaining a Free Funds from Operations (FFO) to gross debt ratio above 9 percent and a Free Funds from Operations to cash interest coverage ratio above 1.5, indicating strong financial headroom and resilience. Separation from Council decision-making will provide an enhanced strategic focus to provide future growth capacity
- c) It provides the 'scaffolding' for future mergers with other water suppliers either within or outside the Taranaki region, in the future.

Initially it is anticipated that there will be no changes to revenue collection methods and Council will continue to collect the revenue on behalf of the WSCCO. Over time as part of the entity establishment this responsibility will transition to the new entity. Council has resolved to change the method of charging for water from a fixed annual charge to fully volumetric billing for on-demand customers. This is expected to occur in July 2027.

Implementation Plan



Key activities include:

- Finalisation of the full Statement of Expectations (SoE) and appointment of the enduring Chief Executive
- Development of the WSCCO's Significance and Engagement Policy
- Determination of Council services (e.g. IT, HR, Customer Services, project delivery) to be utilised by the WSCCO, supported by appropriate Service Level Agreements (SLAs)
- Establishment of financial management processes and confirmation of an interim water billing approach—likely retained by Council and managed via SLA
- Continued refinement of stormwater service delivery arrangements to ensure continuity
- Novation of relevant service delivery contracts to support seamless water services operations
- Design of a high-level organisational structure, including the WSCCO Executive Team and required capabilities to meet accountability, planning, and regulatory obligations
- Union engagement and a full expression of interest process to support a well-managed staff reassignment
- Identification of a suitable physical location that meets operational needs and fosters collaboration between the WSCCO and Council

All elements contribute to the **second Transfer Agreement and the Transitional Arrangements** that are core deliverables of this phase. Change management will be embedded from the outset to support staff readiness and adoption of new ways of working.

Full Establishment (1 July 2027)

This financial year will focus on the strategic transfer of assets from Council to the WSCCO. While many activities will commence earlier, they are intended to be completed within this period to ensure a seamless transition of assets, associated liabilities, and key operational elements such as insurances and contracts not addressed in the previous phase.

Key activities include:

- Completion of asset inventories and condition assessments, and finalisation of Asset Management Plans to inform the Water Services Strategy (WSS)
- Preparation for the transfer of operational elements, including insurance and outstanding contracts
- Ongoing assessment of 'grey area' or mixed-use assets for inclusion in the transfer (noting this work is already underway)
- Under the leadership of the enduring Chief Executive and WSCCO Board:
- Decisions on long-term shared services agreements with Council
- Determination of the future approach for water billing services
- Implementation of water and wastewater charges and tariff structures, to include the removal of 5% general rate.

Development of the third and final Transfer Agreement, focused on the transfer of strategic assets

- Development, potential consultation on, and adoption of the WSCCO's first Water Services Strategy
- Development and adoption of a Statement of Intent, including key performance indicators aligned with the agreed Statement of Expectations.

While not all establishment activities are detailed in this Delivery Plan, a comprehensive Establishment Plan is in place. It includes change management, stakeholder engagement, communications planning, and deliberate engagement with Te Tiriti partners to help shape the WSCCO.

This approach balances strategic foresight with practical implementation, placing strong emphasis on governance, stakeholder engagement, and service continuity. It is designed to ensure a smooth transition from NPDC to a fully independent water services entity capable of delivering high-quality outcomes for the community.

Consultation and engagement

Consultation and engagement
Consultation and engagement undertaken Whenua Engagement From the outset of the Water Services Delivery for Taranaki Project, engagement with iwi and mana whenua has been a foundational priority. Early in the project, a dedicated iwi mana whenua workshop was held to initiate kōrero around water service delivery, and a tailored Engagement and Communications Plan was developed in collaboration with iwi representatives from two Post-Settlement Governance Entities (PSGEs) appointed by the Iwi Chairs. This plan was subsequently endorsed by the participating PSGEs, establishing a clear framework for ongoing partnership and dialogue. Mana whenua has continued to play a central role throughout the project. The two PSGEs have also actively participated in the Steering Group, while Pou Taiao staff have contributed to both the Project Working Group and the Technical Working Group. Regular briefings have also been provided to the Taranaki Iwi Chairs Forum, ensuring that governance considerations and key decisions are informed by iwi perspectives. Taranaki Iwi Chairs, PSGE Chief Executives, and Pou Taiao staff were acknowledged as Interested Parties in the public consultation process. They were formally invited via email to participate and encouraged to make submissions. In addition, Pou Taiao staff were asked to connect with hapū to help share the information more widely and ensure broader awareness across iwi networks. During the public consultation, submissions were received from Te Kāhui o Taranaki and Te Rūnanga o Ngāti Mutunga, both expressing support for Option 1: a Joint/Taranaki Water Services Council-Controlled Organisation (WSCCO). While not all iwi submitted feedback, the responses received reflect support for a delivery model that upholds the mana and mauri of wai and aligns with mana whenua values where engagement occurred. NPDC resolved at the Extraordinary Council meeting on 22 July 2025, to proceed with a single-council WSCCO, while the other partner councils chose to retain water service delivery in-house. Although this marks a shift from the original regional model, NPDC remains committed to a Te Tiriti partnership approach and will continue to build on the relationships and insights developed through earlier engagement as the work progresses. Local Water Done Well Public Consultation As required under the Local Government (Water Services Preliminary Arrangements) Act 2024, New Plymouth District Council (NPDC) undertook public consultation through the Local Water Done Well (LWDW) programme. The consultation process was designed to meet the requirements of section 82 of the Local Government Act 2002 and reflect the significance of the decision regarding future water service delivery.

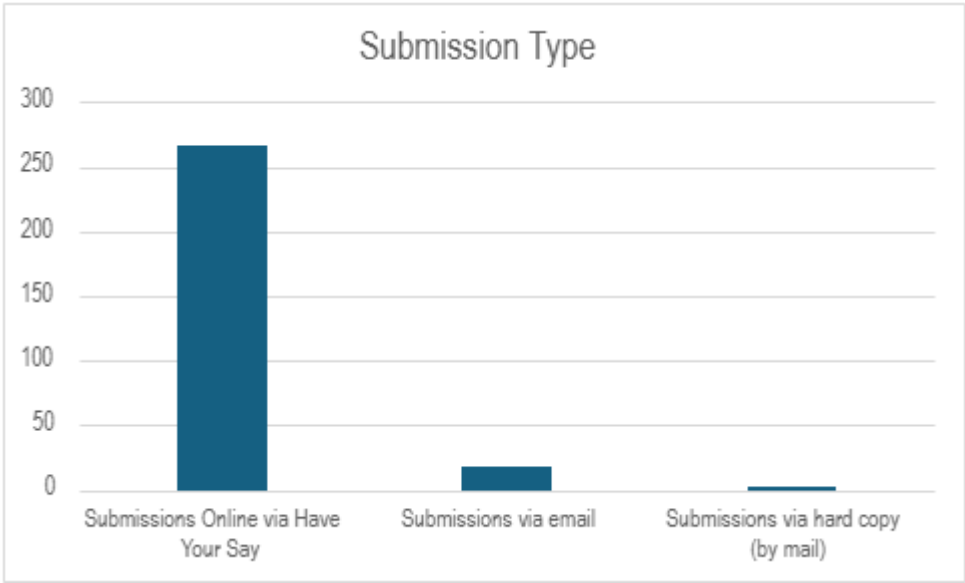
On 16 April 2025, Council adopted the LWDW Consultation Document and approved public consultation from 30 April to 30 May 2025. NPDC chose to consult on three options to ensure transparency and to account for the possibility that regional partners might opt out of a Joint WSCCO either before or as a result of public consultation. The three options were:

- Option 1 (Preferred): an asset-owning Joint Taranaki WSCCO with South Taranaki (STDC) and Stratford District (SDC) Councils for water and wastewater services, with stormwater asset ownership and delivery would remain with the respective Council.
- Option 2: A NPDC-only WSCCO, with stormwater asset ownership and delivery would remain with the Council.
- Option 3: Retention of all three waters service delivery within NPDC (In-House Business Unit).

South Taranaki and Stratford District Councils also consulted their communities, identifying Option 1 as their preferred model and presenting two options: a Regional WSCCO and an In-House Business Unit. To maximise public awareness and participation, NPDC deployed a multi-channel communications strategy. This included:

- Messaging in the May NPDC rates notice
- Social media outreach
- Public meetings
- Online engagement via the ‘Have Your Say’ portal
- Email and hardcopy submission options

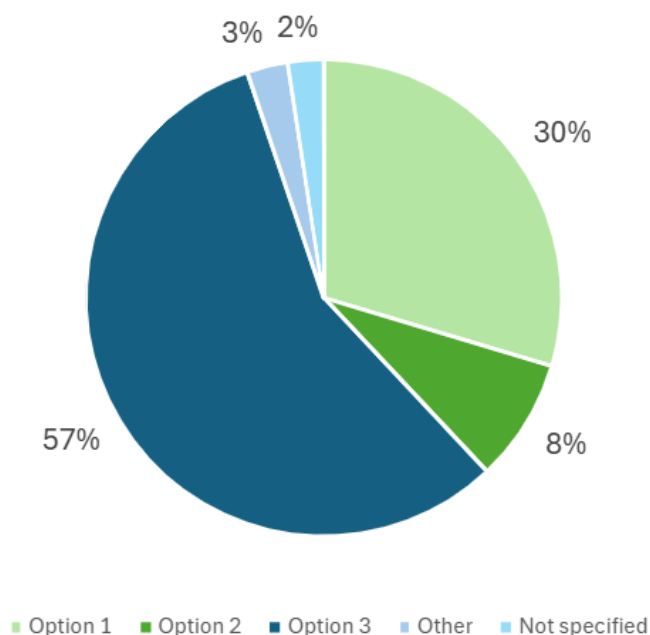
A total of 287 submissions were received, representing approximately 0.41% of eligible voters. Of these, 57% supported Option 3 (In-House Business Unit), while smaller proportions supported Options 1 and 2. A small number of submissions proposed alternative models, such as a Consumer Trust, or did not specify a preference.



Consultation Question 1. Which option do you support for providing drinking water and wastewater services?

The pie chart below shows the distribution of submitters who opted for models 1 (Joint WSCCO), 2 (NPDC WSCCO) and 3 (In-House Business Unit) with 57 per cent of submitters showing a preference for model 3, In-House Business Unit. A small proportion of submitters expressed a preference for a different model than those outlined in the Consultation Document. Specifically, eight submissions (3 per cent) favoured a Consumer Trust Model. Additionally, a few (6 submissions, 2 per cent) did not specify any model preference.

Drinking & Waste Water Submission Summary



Themes Supporting Options 1 & 2 (WSCCO Models)

- **Long-Term Sustainability (8 submissions):** Support for future-focused planning and resilience.
- **Economies of Scale (23):** Belief that regional collaboration could reduce duplication and improve service delivery.
- **Iwi Partnership (5):** Support for iwi representation and environmental stewardship.
- **Workforce Capability (5):** Recognition that a larger entity could attract and retain skilled staff.

Key Themes Supporting Option 3 (In-House Business Unit)

- **Satisfaction with Current Services (25 submissions):** Many submitters expressed confidence in NPDC's existing water services and staff, stating that no change is necessary.
- **Local Control and Democratic Oversight (25):** Strong preference for elected councillors to retain direct responsibility, ensuring transparency and responsiveness to community needs.
- **Cost and Rates Concerns (23):** Submitters feared increased bureaucracy and overheads under a WSCCO model, preferring the cost-efficiency of the current structure.
- **Debt Risk (14):** Concerns about potential borrowing under WSCCO models and the long-term financial burden on ratepayers.

- **Governance Complexity and Transparency (18):** Preference for simpler governance with clearer accountability under NPDC.
- **Mistrust in Financial Modelling (5):** Scepticism about projected savings and lack of confidence in assumptions behind WSCCO options.
- **Regional Inefficiency and External Examples (6):** References to issues in other regions (e.g., Watercare, Wellington Water) as cautionary examples.
- **Funding Other Districts (4):** Opposition to perceived cross-subsidisation of neighbouring councils' infrastructure.

Additional concerns raised during hearings included the potential for privatisation and limited visibility of existing CCOs. Officers clarified that the legislation includes protections to ensure public ownership of water assets and statutory reporting requirements for CCOs.

Council officers acknowledged the range of views expressed during consultation and emphasised that all three delivery models were assessed against long-term sustainability, affordability, and regulatory compliance. While the in-house model was preferred by most submitters for its local control and familiarity, officers noted that a Council-Controlled Organisation (WSCCO) offers strategic advantages, including improved financial flexibility, dedicated governance, and long-term efficiencies. The final decision to proceed with an NPDC-only WSCCO reflects a balance between community feedback, financial modelling, and the need to future-proof water services under increasing regulatory and infrastructure demands.

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.

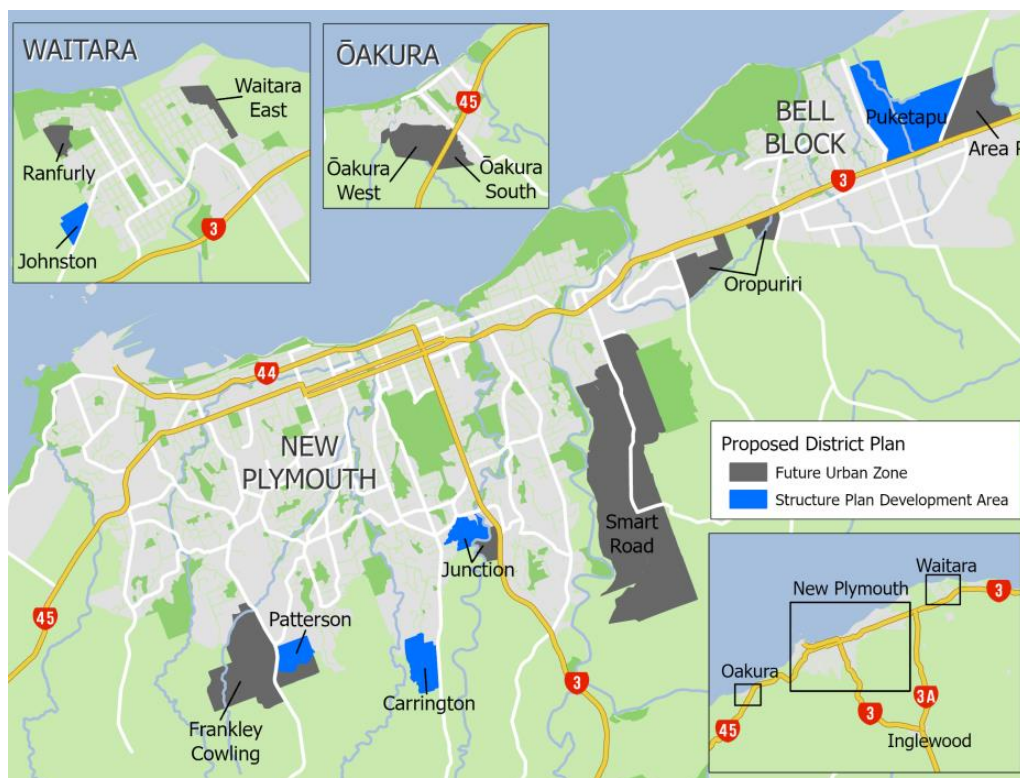
Assurance and adoption of the Plan

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 version of this WSDP.	
Council resolution to adopt the Plan	
This WSDP and the WSDP for the inhouse delivery of stormwater 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 NPDC currently services 83% of the district’s population for water and 78% of the district’s population for wastewater. This level of coverage for water is expected to remain roughly the same over the next 10 years. The level of coverage for wastewater is expected to increase when the new Urenui and Onaero Wastewater Treatment Scheme is commissioned. The tables below give a more detailed view of the serviced population. 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 infill (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 Three Waters Planning team plays a key role in supporting urban growth by using hydraulic models to understand how water, and wastewater networks will be affected by future development. By analysing projected housing numbers and their estimated timing, the team can assess the impact on existing infrastructure and identify what upgrades or new assets are needed. This modelling helps inform capital investment programmes, ensuring infrastructure is delivered in the right place at the right time to support growth.

Water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	2044/45	2053/44
Serviced population	75,643	76,828	78,337	79,571	80,826	82,087	83,012	84,210	85,016	85,736	90,977	91,795
Unserviced population	15,366	15,247	14,820	14,689	14,555	14,413	14,575	14,405	14,538	14,652	16,799	18,993
Total residential connections	29,719	30,067	30,420	30,781	31,147	31,512	31,867	32,203	32,509	32,782	35,194	36,178
Total non-residential connection	2,534	2,562	2,590	2,619	2,648	2,677	2,707	2,737	2,767	2,798	2,991	3,159
Wastewater												
Serviced population	71,360	72,479	73,905	75,070	76,255	77,446	79,233	80,377	81,146	81,832	86,832	87,599
Unserviced population	19,649	19,596	19,252	19,190	19,126	19,054	18,354	18,238	18,408	18,556	20,944	23,189
Total residential connection	28,116	28,445	28,780	29,120	29,467	29,812	30,511	30,833	31,126	31,387	33,697	34,639
Total non-residential connection	2,195	2,219	2,244	2,269	2,294	2,319	2,345	2,371	2,397	2,423	2,590	2,735

Source: FY2024/25 are from the figures provided for the National Environmental Performance Measures.

Assumptions: Residential connection forecast growth is based on forecast population growth and non-residential connections is based on employment business growth.

Urenui and Onaero wastewater scheme is expected to come online in the 2030/31 financial year.

Serviced areas

The serviced areas are split into five water supplies (four that are discrete and with their own treatment plants and one is a non-potable supply on Dudley Rd, Inglewood), and three wastewater supplies (each discrete, one major aeration plant and two communal septic tanks systems). The Waitara Industrial Water Supply is a mothballed scheme that was used to supply non-potable water to agricultural and industrial customers in Waitara. Council has closed the last contract (ECM8771119) and is planning to decommission the scheme.

When the Urenui and Onaero wastewater scheme comes online this will reduce the number of wastewater schemes to two as the Urenui Domain and Onaero Domain will be amalgamated into the new scheme with its own treatment plant.

The Dudley Rd non-potable water supply feeds two properties with water for stock purposes. The water comes from the Inglewood supply backwash intake and is fed via a dedicated main. Letters are sent on an annual basis to advise the customers that the water is for non-potable use only.

The only significant unreticulated community in the district for water is Egmont Village. Reticulating Egmont village was last discussed in the early 2000's at which time the community was roughly split 50/50 in support and against installing a supply. No further work has been done since.

There are six communities that do not have reticulated wastewater, of these, Council is currently working on consent applications for a wastewater scheme for Urenui and Onaero. A report on options to service small towns was undertaken in 2005. No further work has been done to understand the risk posed by continuing to have wastewater managed through septic tanks or the community views on reticulation.

Serviced areas (by reticulated network)	Water supply (scheme – number of connections)	Wastewater (scheme – number of connections)
Residential areas (If more than one identify separately)	New Plymouth - 26,976 Inglewood - 1,683 Ōākura - 778 Ōkato - 282	New Plymouth - 27,690 Urenui Domain - 140 Onaero Domain - 20
Non-residential areas (If more than one identify separately)	New Plymouth - 2,316 Inglewood – 140 Inglewood, Dudley Rd User Group (non-potable) – 2 Ōākura - 33 Ōkato – 45 Waitara Industrial Supply - 0	New Plymouth - 2,195
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	None	n/a

Areas that do not receive water services (If more than one identify separately)	Egmont Village - 129 Tongaporutu - 50 Rural areas across the district	Egmont Village - 129 Lepperton - 139 Ōkato - 254 Onaero - 60 Urenui - 170 Tongaporutu - 50 Rural areas across the district
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
Water		
Compliance with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and DWQAR 2022.	Full Compliance	Full Compliance (audited by Wai Comply)
Our level of compliance with Part 5 of the Drinking-water Standards (protozoal compliance criteria).	Full Compliance	Full Compliance (audited by Wai Comply)
The percentage of real water loss from NPDC's networked reticulation system	<20%	16.4%
The median response time to urgent callouts (from the time that NPDC receives notification to the time that service personnel reach the site)	<1hr	0.55 hrs
The median resolution time for urgent callouts (from the time NPDC receives notification, to the time that service personnel confirm resolution of the fault or interruption).	<4hrs for mains <250mm dia <8hrs for mains ≥250mm dia	1.62 hrs for mains <250mm dia No callouts for mains ≥250mm dia
The median response time to non-urgent callouts (from the time NPDC receives notification to the time that service personnel reach the site).	<70hrs	28.70 hrs
The median resolution time for non-urgent callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).	<116hrs	70.50 hrs
The total number of complaints (per 1,000 connections) received about any of the following: • drinking water clarity, taste or odour; • drinking water pressure or flow;	<16	18.34

• continuity of supply; and • NPDC's response to any of these issues.		
Average consumption of drinking water per day per resident within New Plymouth district.	300L/p/day	285
The number of abatement notices received.	None	None
The number of infringement notices received	None	None
Number of enforcement orders received.	None	None
Number of convictions received	None	None
Wastewater		
The total number of complaints (per 1,000 connections) received about any of the following: • sewerage odour; • system faults or blockages; • NPDC's response to any of these issues.	<13	5.32
The number of dry weather sewerage overflows per 1,000 connections to the wastewater system.	<1.5	0.22
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
The median response time to sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel reach the site).	<1hr	0.53hrs
The median resolution time for sewerage overflow callouts (from the time NPDC receives notification to the time that service personnel confirm resolution of the fault or interruption).	<4hr for <250dia <8hr for ≥250dia	1.88hrs No callouts
The total number of complaints received about sewerage odour; system faults or blockages; or NPDC's response to issues with the sewerage system (per 1,000 connected properties).	<13	5.32

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

The age and condition of water services networks are summarised below, with further detail available 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 of \$202 million for the 10 year period, with actual year-to-date expenditure reaching 26% of that forecast for the first 5 years. The estimated renewals backlog in the current (2025) AMP and based on gross capital replacement cost, is approximately \$58 million for water and \$40 million for wastewater. NPDC remains committed to the ongoing renewal of its network with the 2024 Long-Term Plan (LTP24) allocating \$233 million for renewals for its 10 year period, comprising \$140 million for wastewater and \$93 million for water.

Currently, \$105K is allocated annually for wastewater pipe condition assessments, covering approximately 2% of the network per year. Water pipe assessments are unfunded and conducted on an ad-hoc basis. A formal program and budget for water pipe condition assessments will need to be developed by the WSCCO and integrated into future planning.

In 2020, NPDC undertook a comprehensive review of condition assessment technologies for pressure pipelines. As part of this, p-CAT (Pipe Condition Assessment Tool) and EPulse technologies were trialled on selected critical water supply mains:

- p-CAT is an acoustic-based tool that uses sensors to detect changes in pipe wall thickness and material properties by analysing the way sound waves travel through the pipe. It is particularly useful for identifying areas of corrosion or wall loss in metallic pipes.
- EPulse is a non-invasive, external condition assessment method that uses low-frequency stress waves to evaluate the structural integrity of pressurised pipelines. It provides a condition grade based on the pipe's ability to transmit these waves, which correlates with wall stiffness and potential degradation.

These trials provided valuable insights into the condition of key assets and demonstrated the potential of these technologies to support a more proactive, risk-based approach to asset management. The long-term intention is to develop a structured, ongoing inspection program for water supply mains and wastewater rising mains, using p-CAT and EPulse to supplement traditional age-based assessments and inform renewal planning. However, implementation has been delayed due to organisational resourcing constraints.

Currently, assessments of pressure pipes (such as water supply and rising mains) rely primarily on asset age, with some targeted use of p-CAT, EPulse, and coupon sampling to validate or refine condition assumptions.

Wastewater pipes are assessed using a combination of CCTV and age-based methods, with 30% of the network inspected between 2014 and 2024. Maintenance activities include scheduled inspections, flushing, CCTV surveys, and minor repairs.

For above ground assets (plant, equipment, and electrical), it is known that our asset register is not 100% complete and NPDC is progressively updating it as assets are identified. Pipe bridges are visually inspected annually by reticulation staff, including pipes, bridge structures, attachments, and vegetation. Small pump stations follow similar maintenance routines. However, other above-ground assets lack a formal condition assessment program, rather condition is assessed when maintenance is undertaken on an asset. It is therefore suspected that there will be outstanding maintenance on these assets and that some assets will not have renewals programmed or budgeted for.

AMPs outline several actions related to asset registers, criticality, condition assessments, and renewals. Progress has been mixed due to resourcing constraints. While both the water supply and wastewater networks have had asset criticality assessment undertaken, due to timing these differed in approach.

Parameters	Drinking supply	Wastewater
Average age of Network Assets	35 years (Asset Age is Weighted by the GCRC as at March 2025)	45 years (Asset Age is Weighted by the GCRC as at March 2025)
Critical Assets	<i>Reliable</i> • Waiwhakaiho River Diversion Structure • Lake Mangamahoe Dams • New Plymouth WTP and reservoirs • Pipe bridges in the central feeder and eastern feeder • Waitara pipe bridge and trunk mains • Inglewood intakes and WTP • Okato Intake and WTP • Onaero Pipe bridge	<i>Uncertain</i> • NPWWTP & marine outfall • Waitara transfer pumpstation and rising main • Te Henui pumpstation and rising main • Inglewood pumpstation and rising main • Oākura Pumpstation and rising main
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	4 75% 13%	1 major and two communal septic tanks 67% 38%
Below ground assets • Total Km of reticulation • Percentage of network with condition grading • Percentage of network in poor or very poor condition	1047 Km 90% 25%	698 Km 86% 16%

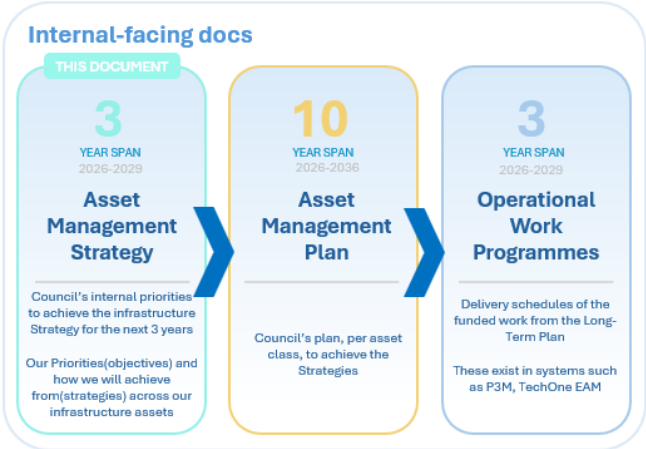
Source: The data in the table is from Taumata Arowai NEPM reporting, as at 30 June 2024.

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

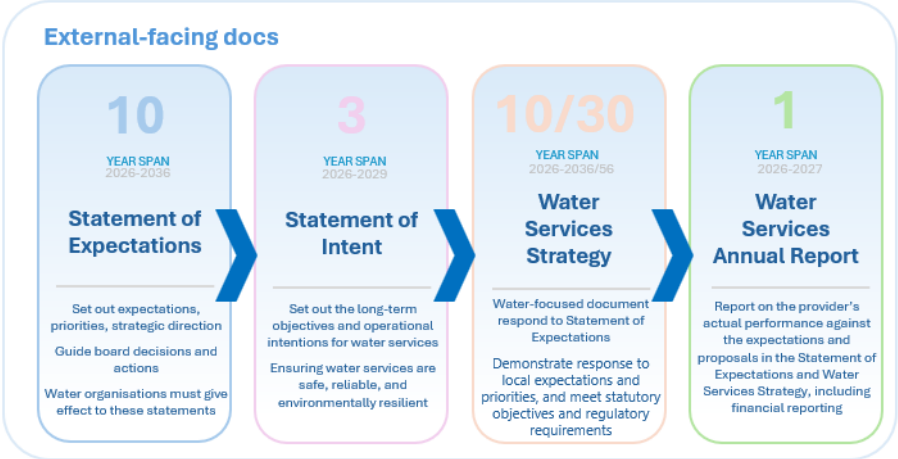
Asset management approach

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. The Asset Management Strategy, Asset Management Plan and Operational Work Programmes are reviewed and updated every three years, in line with the LTP cycle.

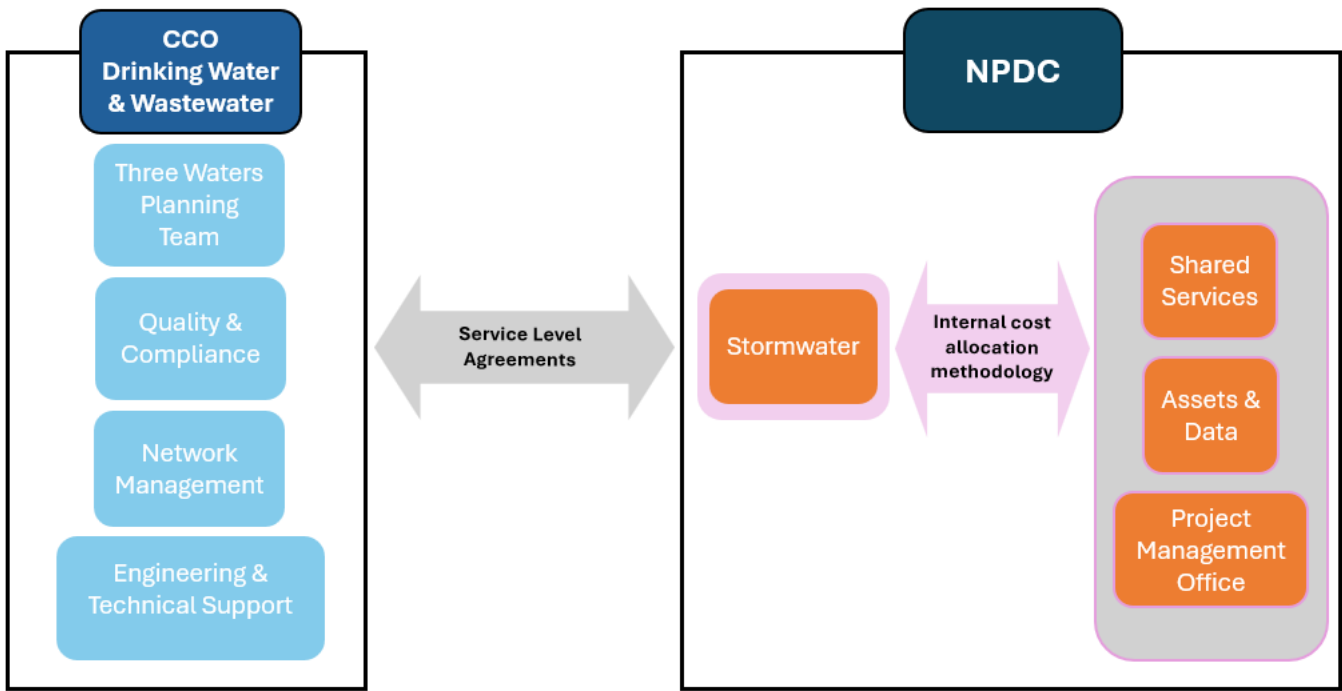


The intention for the CCO is to adopt the same framework, with the addition of specific external reporting requirements outlined below.



Service Delivery Mechanisms

The structure of the key teams that deliver the water and wastewater activities 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.



PMO and Assets and Data services will initially be provided by NPDC to the CCO supported by a SLA. Following establishment this arrangement will be reviewed.

The Three Waters Operational Teams are responsible for the operations and maintenance of treatment plants, 37 small pump stations, reticulation networks, backflow preventers, and water meters, and ensuring compliance with legislative requirements. The pump stations are operated and maintained by the Council, while 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 structure of the NPDC WSCCO will be designed as part of the establishment phase, noting Service Level Agreements (SLAs) will be confirmed as part of this design.

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.
- Infoworks WS and ICM - for network modelling.

Identification of Capital Projects

The Three Waters Planning team is responsible for identification of capital projects based on the condition, level of service issues and growth expectations. All water and wastewater networks have hydraulic models that are actively used to plan the capacity of the networks, and which have informed the budgeted CAPEX program.

Master planning has recently been completed for all water treatment plants. The master plan for the Wastewater Treatment Plant is due for updating following a number of recent upgrade projects, and allowance has been made for a peak flow storage facility to manage capacity constraints.

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

Statement of regulatory compliance

Compliance

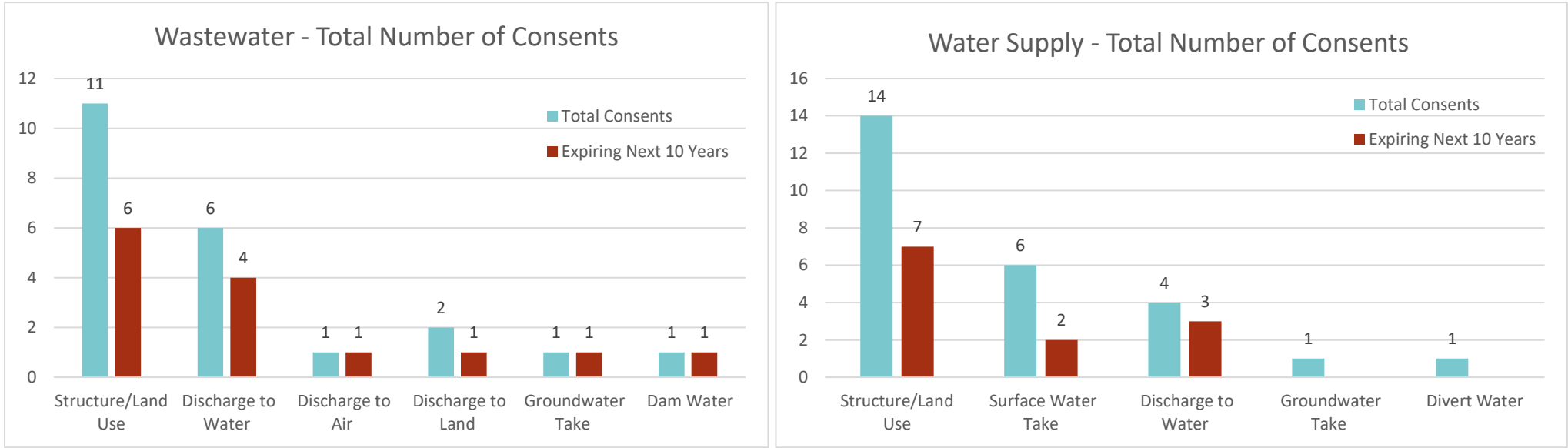
Currently NPDC is compliant with all regulatory requirements with the following exceptions:

- An abatement notice regarding the need to install fish screens on the water supply intakes at Lake Mangamahoe. Work is underway to address this and is expected to be completed in 2026.
- Achieving compliance with the voluntary code of practice for firefighting (SNZ PAS 4509:2008) is considered impractical for most if not all water supplies in New Zealand due to cost and water quality implications and difficulties with measuring compliance. To address this NPDC has developed a draft target level of service in conjunction with FENZ that is considered to appropriately balance the needs for firefighting with what the network can practically provide. Some upgrades are required to achieve this and funding has been allowed for these upgrades in years 11 to 30 of the proposed CAPEX plan.

More details on NPDC’s compliance are provided in the table on page 27 – ‘Summary of Water and Wastewater Compliance’.

Resource Consents

NPDC currently holds 48 environmental resource consents related to drinking water and wastewater, 47 of which are issued by Taranaki Regional Council. An additional consent is held from the Waikato Regional Council allowing the application to land of Bioboost® fertilizer. 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.



Expired consents operating under S124

There are six consents that have expired and are operating under S124. The delay in processing all these consents is mostly due to a processing backlog at the Taranaki Regional Council (TRC). Five are significant as they are for both the Inglewood and New Plymouth drinking water abstractions. NPDC is reviewing proposed consent conditions for the New Plymouth abstraction at the time of writing and is awaiting the outcome of a limited notification process for the Inglewood water take. The sixth, a weir in the Waiongana Stream, is awaiting feedback from local Iwi and Hapū.

Active Resource Consent Applications

There are six active consent applications operating under S124 and seven renewals in process for consents expiring in 2026. Additionally, the following new applications are expected within the year:

- An application to discharge treated wastewater (land consent) for the Urenui and Onaero Wastewater Treatment Scheme.

- Potential consents for upgrades to the Mangati Sewer Pump Station.

Consents requiring renewal in the next 10 years.

NPDC has 26 consents expiring over the next 10 years - 12 for water (of which three will be surrendered), and 14 for wastewater (of which seven will be surrendered)). All consents are considered to be minor and/or low risk with the following exceptions:

- *AUTH144852.01.01 – Application of Bioboost® to land Waikato*: This activity and its associated consent are somewhat unique in New Zealand and therefore subject to reconsenting risk. Should this consent not be renewed it would negatively impact on the viability of the Bioboost® market and sales meaning an alternative reuse or disposal route need to be found.

Consents to be surrendered

As per the above, there are a number of consents that will be surrendered for various reasons, however four of these are significant enough to require a special note:

- *Consent 1449 - To intermittently discharge treated municipal wastewater into the Kurapete Stream from the Inglewood Oxidation Ponds*: This consent expires in 2033 and would be challenging to renew. NPDC have several projects in the LTP to reduce the frequency of this discharge and thus the need for a consent. These include the Inglewood wastewater overflows program, Eastern sewer network realignment, plus an upgrade of the pump station and oxidation ponds themselves. The successful delivery of all these projects is required before this consent can be surrendered.
- *Consent 0786 – Emergency discharge of untreated wastewater into the Tasman Sea from the Waitara Outfall*: This consent expires in 2041. Under Policy 29 of the Taranaki Regional Coastal Plan (2023), this discharge has to be progressively reduced and eliminated over the course of the existing consent as it will not be renewed. To address this \$22M of CAPEX funding has been allocated between now and 2039 to address these overflows.
- *Consents 02046-4 and 01389-4 Discharge sewage via soakage in Urenui and Onaero*: These soakage fields are undersized for the flows being received, are at risk of coastal erosion and the location of the Urenui facility is culturally offensive to Iwi. There is a project underway to build a new facility to replace these that is funded in the LTP.

Anticipated Future Regulatory Requirements

There are currently no anticipated future regulatory requirements that will not be met by the WSCCO once it is established. NPDC and the WSCCO will work collaboratively to assess any new or changed regulations, whether Local Waters Done Well or otherwise, to determine what is needed to achieve compliance. 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:
 - Currently the application of Bioboost® to land is a permitted activity in the Taranaki region and is undertaken under a certificate of compliance. There is the potential this could change under the new Freshwater Plan. Council is engaging with the TRC as the plan develops to manage this risk.
 - Three of New Plymouth's four water supplies are sourced by rivers meaning there is limited ability to reduce the take during periods of low flow to meet environmental needs. Any change in the rules around this, or the minimum flows that have to be left in the river, could have a significant impact on the cost of delivering these services. Council is implementing water conservation measures, including universal water metering, to reduce the volume of water required from these sources. It has also budgeted for the development of groundwater sources to supplement the New Plymouth supply, further reducing the impact on the river.

- There are new legislative requirements being considered for emerging organic contaminants that could have a significant impact on the ability to apply Bioboost® to land in a cost-effective way. Council is reviewing the proposed regulations as they are released and submitting on the proposals in conjunction with Water NZ and other councils that apply biosolids to land.
- NPDC does not currently have a wastewater network discharge consent or containment standard. This may be required in the future either by Taumata Arowai or TRC. To manage this risk, NPDC are currently modelling their wastewater network to fully understand current levels of containment. Apart from a small number of locations of relatively frequent overflows (i.e. during certain rain events) our current level of containment as demonstrated by annual reporting of overflows is likely to compare favourably with other water suppliers.

Currently only the New Plymouth water supply is fluoridated. There is the potential for the Director-General of Health to require the fluoridation of the other supplies at Inglewood, Ōkato and Ōākura in the future. This has not been budgeted for in the Long-Term Plan or Infrastructure Strategy.

Summary of Water and Wastewater Compliance		
Parameters	Drinking supply schemes	Wastewater schemes
Drinking water supply		n/a
New Plymouth - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	[yes] [yes] [yes] [0 notices in place for last 3 years] [yes] [300 l/person/day] [yes] [90% >= FW2]	
Inglewood - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	[yes] [yes] [yes] [0 notices in place for last 3 years] [no] [300 l/person/day] [yes] [90% >= FW2]	
Ōākura - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	[yes] [yes] [yes] [0 notices in place for last 3 years] [no] [300 l/person/day] [yes] [90% >= FW2]	
Ōkato - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	[yes] [yes] [yes] [0 notices in place for last 3 years] [no] [300 l/person/day] [yes] [90% >= FW2]	

Resource Management - Significant consents (note if consent is expired and operating on S124) - Expire in the next 10 years - Non-compliance: - Significant risk non-compliance - Moderate risk non-compliance - Low risk non-compliance - Active resource consent applications - Compliance actions (last 24 months): - Warning - Abatement notice - Infringement notice - Enforcement order - Convictions	5 Water abstraction consents, 2 of which are operating on S124 3 water discharge consents, 2 of which are operating on S124 <i>[See above – statement of Regulatory Compliance]</i> [N/A] [N/A] NPDC has one active non-compliance for fish passage that is expected to be resolved by 2026 [low risk] [Five awaiting final decision, one awaiting limited notification] [N/A] [EAC-24748 (fish passage)] [N/A] [N/A] [N/A]	4 Discharge to water consents, 2 to land, 1 to air; 1 of which is operating on S124 <i>[See above – statement of Regulatory Compliance]</i> [N/A] [N/A] [N/A] [N/A] [N/A] [EAC-24905 (overflow, withdrawn)] [N/A] [N/A] [N/A]
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Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements

The Water Services Council-Controlled Organisation (WSCCO) is responsible for delivering safe, reliable, and sustainable water services. By following the Water Services Delivery Plan (WSDP) and delivering the capital investment programme in the table below, the WSCCO will ensure that all current and future regulatory requirements are met. This includes maintaining compliance with drinking water, wastewater, and environmental standards, while also supporting long-term infrastructure resilience and service reliability.

Projected investment in water services (\$K)										
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	5,757	4,453	5,205	5,274	3,244	460	639	2,505	4,310	5,201
Capital expenditure - to improve levels of services	3,761	5,461	4,925	5,115	7,443	7,825	7,572	6,141	1,951	2,808
Capital expenditure - to replace existing assets	6,907	8,935	10,611	8,425	6,651	6,990	6,924	11,166	11,758	11,738
Total projected investment for drinking water	16,424	18,849	20,741	18,814	17,338	15,276	15,136	19,812	18,019	19,747
Wastewater										
Capital expenditure - to meet additional demand	4,749	2,637	1,540	6,020	11,053	7,966	4,861	5,240	5,339	7,406
Capital expenditure - to improve levels of services	17,224	18,851	5,632	12,995	16,605	8,396	5,573	2,793	5,647	5,271
Capital expenditure - to replace existing assets	8,658	12,073	13,595	12,976	20,215	19,721	14,170	11,812	12,746	12,372
Total projected investment for wastewater	30,631	33,561	20,767	31,991	47,873	36,083	24,604	19,845	23,732	25,049
Total projected investment in water services	47,056	52,410	41,507	50,805	65,211	51,359	39,739	39,657	41,751	44,795

The sections below provide a brief overview of the current planning status for each water activity, including key investment drivers and a summary of significant capital projects. For a detailed breakdown of these major projects—categorized by demand, level of service, and renewals—please refer to the Additional Information section. Note that all project values are presented in uninflated terms over the 30-year financial model.

Water Supply

Overall, the major drivers for spend on the water activity are maintaining compliance (through addressing short fall during peak water demand in the New Plymouth supply), growth and renewals.

NPDC's New Plymouth Water Supply Scheme is reliant on two dams that form Lake Mangamahoe. These are owned and operated by Manawa Energy who are responsible for ensuring compliance with the regulations but the NPDC water activity is responsible for 50% of any costs. These costs have been budgeted for in the LTP.

As described above the Water supply activity is largely compliant with its regulatory requirements with only minor upgrades required that are underway. Planning for the water supply activity is advancing having commenced in 2015. The major capital works program is largely focused on growth, resilience and renewals as detailed below:

- **Water Conservation (nearly complete):** The residents of the New Plymouth District do not use water as efficiently as other communities. To address this a water conservation program has been developed, including residential water metering and volumetric billing. Installation of water meters is currently underway and due for completion in 2025. Volumetric billing is aimed to commence with mock billing starting July 2026 and actual billing in July 2027. This, along with other water conservation measures is expected to achieve a 20% reduction in consumption by 2030. This is expected to enable growth by freeing up capacity and reducing the environmental impact of the activity.
- **NPWTP Upgrades (\$26.3M):** There are a number of improvements required at the NPWTP to address resilience issues, staff welfare issues and the approach to chemicals with the bulk of this work happening between 2026 and 2032.
- **Supplementary Water Source (\$31M):** To address growth and resilience the council is investigating the ground water source(s) to supplement Lake Mangamahoe for the New Plymouth scheme between 2026 and 2039.
- **Central and Eastern feeder (\$8.5M):** This project will address capacity constraints; resilience issues and critical infrastructure renewal needs and is programmed to occur between 2031 and 2034.
- **Smart Rd Reservoir and Trunk main (\$23.8M):** A new reservoir and trunk main is required to enable growth in the Smart Rd growth area between 2026 and 2039
- **Carrington Rd Trunk Main (\$5.3M):** A new trunk main is required to enable growth in the Carrington Rd area between 2026 and 2027
- **Ōākura Trunk Main (\$5.9M):** A new trunk main is required to enable growth in Ōākura (2026-2029)
- **Renewals 2024-2034 (\$89.5M):** There is an estimated renewal backlog of \$58M and \$57M of renewals required between 2024 and 2034. The capital works program aims to reduce the backlog by approximately 50% to \$25.5M.
- **Renewals 2035-2054 (\$126M).** This is based on addressing the backlog by 2044.

Wastewater

The wastewater activity is currently fully compliant with regulatory requirements although significant investment to develop the Urenui and Onaero Wastewater Scheme, and upgrades of the Waitara and Inglewood networks are required and address some overflow locations within the network.

Planning for the network requirements is well progressed with comprehensive models having been developed over the last couple of years and projects are now underway to address the issues identified as detailed below. The Master Plan for the wastewater treatment plant needs updating (last revision 2010). However, allowance has been made to address hydraulic buffer storage and a new control and laboratory building in the CAPEX program.

Overall, the major drivers for spend on the wastewater activity are maintaining compliance (through reduction of overflows), growth and renewals. The key projects for the next 30yrs are:

- **Urenui and Onaero Wastewater Scheme (\$33M):** New wastewater scheme for the Urenui and Onaero townships and domains by 2031 to address undersized systems at both campgrounds and contamination from failing septic tanks in the townships.
- **Waimea Valley Trunk Main (\$4.5M):** Extend the existing sewer network to service the Growth Area around Tukapa St in 2027-2029.

- Eastern Sewer Network Realignment (\$13M): New wastewater trunk main system to address capacity constraints and allow growth in the eastern suburbs between 2029 and 2036.
- Thermal Dryer (nearly complete): Complete the renewal of the thermal dryer currently underway and due for completion in 2026
- Bell Block Trunk Main Upgrade (\$6.2M): Upgrade of the bell block trunk main to address capacity constraints.
- Mangati Pumpstation Emergency Storage (\$6M): Installation of emergency storage for the Mangati pumpstation to reduce the risk of overflows to the environment by 2027.
- Corbett Park and Shearer Reserve Pumpstation (\$8.8M): Upgrade of the existing pumpstations to address resilience issues and improve health and safety between 2043 and 2045.
- Inglewood Network Upgrades (\$23.4M): Upgrade of pipes and the pumpstation to address capacity constraints in the Inglewood network and reduce the risk of overflows. Necessary to allow the surrendering of consent 1449. Work is programmed to occur between now and 2040.
- Watara Network Upgrades (\$22.5M): Upgrade of pipes and pumpstations to address resilience and capacity issues in the Waitara network and reduce the risk of overflows. Necessary to allow the surrendering of consent 0786. Work is programmed to occur between now and 2040.
- NPWWTP Upgrades (\$35M): Creation of a WWTP Master Plan and buffer storage facility to accommodate growth in 2028-2030, then allowance for a further upgrade in 49-54 to capture consent renewal requirements and additional growth.
- Smart Rd Trunk Main (\$10M): Installation of trunk main(s) to service the Smart Rd growth area between 2031 and 2036.
- Overflow Reduction (\$10M): Network upgrades and installation of emergency storage to reduce the risk of network overflows between 2039 and 2049.
- Renewals 2024-2034 (\$139M): Using age to determine renewals requirements indicates that \$82M of renewals is required over the 10yr AMP period made up of an estimated \$40M of backlog and \$42M of new renewals. However, this is considered to underestimate the cost when compared to the available condition data, thus the budget of \$139M. The actual required budget will depend on the results of further condition monitoring, but the budget provided is expected to remove or at least significantly reduce the backlog.
- Renewals 2035-2054 (\$292M): This is based on the backlog being addressed by 2034 and uses age-based renewals for forward forecasting. It includes a significant increase in budget towards the end to renew many assets that become due for renewal.

Historical delivery against planned investment

Historical data of New Plymouth District Council's water and wastewater delivery is detailed in the table below. Between FY2018/19 and FY2020/21 (LTP18), the Planning Team was newly established in 2019, with a primary focus on long-term planning for Three Waters projects. Renewals were added to the team's remit during this period, but the emphasis remained on establishing a strategic planning foundation. Prior to this, NPDC's approach to renewals was largely reactive. Water and wastewater were prioritised early on due to their criticality.

From FY2021/22 to FY2023/24 (LTP21), investment increased as the team developed renewal candidates—using CCTV footage for wastewater and age-based analysis for water. This aligned with the "Fixing Our Plumbing" initiative, which aimed to address underinvestment in renewals. This period saw the initiation of major capital projects such as the Thermal Drying Facility (TDF) and the Universal Water Meters (UWM). The development of a hydraulic model for the wastewater network began, enabling future modelling of network improvements and the impacts of growth.

In FY2024/25, a single-year plan, delivery performance was strong, 109% against planned investment and 101% for renewals, reflecting the maturity of the Planning Team's processes and renewal targeting. LTP24 includes \$61 million in planned renewals and is capturing opportunities identified through the wastewater modelling work, and continued identification of renewals. To support this, NPDC has implemented Info360 software to manage the renewals programme and introduced the AI tool Vapour to assist in reviewing CCTV footage and 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 water services (\$K)				Total investment in water services (\$K)			
	FY24/25	FY21/22 – FY23/24	FY18/19 – FY20/21	Total	FY24/25	FY21/22 – FY23/24	FY18/19 – FY20/21	Total
Total planned investment (set in the relevant LTP)	15,570	48,350	30,110	94,030	47,060	114,850	66,430	228,340
Total actual investment	15,788	35,963	27,020	78,768	51,099	114,141	60,460	225,689
Delivery against planned investment (%)	101%	74.4%	89.7%	84%	109%	99.4%	91.0%	99%

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. This will be updated by the budgets in the 2025/26 Annual Plan, which will in turn be used to update the numbers in the section below. As a result, these costs do not include the regulator levy or any allowance for additional regulation beyond what was in place in 2023.

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, and wastewater, supported by TechnologyOne software which allows for the grouping of cost centres into council activities.

Water

Current Approach

Funding for the water activity comes from eight sources as follows:

- *General rates* – 5% of the rates requirement is sourced from general rates to reflect the benefit to the wider community of the water network.
- *Water Targeted Rate* – This applies to most standard residential properties excluding high users such as houses with pools or automatic watering systems. It is a targeted rate being a fixed amount per separately used or inhabited part of a rating unit (SUIP) which is connected to a water supply and has an on demand supply of water. The amount per SUIP is \$475.65/ year excl GST (2024/25).
- *Water Half Charge* – This applies to all properties that are within 100 metres of a serviceable pipeline and are not connected to a Council supply. The water half charge is a targeted rate being a fixed amount per SUIP. The amount per SUIP is \$237.83/ year excl GST (2024/25).
- *On demand supplies of water by meter* – This applies to all extraordinary customers (includes all commercial, industrial properties plus residential properties with a pool or automatic watering system). These customers pay a fixed charge per SUIP of a rating unit and a consumption charge based on the cubic meter of water used. The charges for the 2024/25 rating year are:
 - Fixed charge of \$48.00/year excl GST per SUIP of a rating unit.
 - A consumption charge of 1.894/m³ excl GST for consumption up to or equal to 50,000m³ per annum
 - A consumption charge of \$1.914/m³ excl GST for consumption in excess of 50,000m³ per annum
- *Restricted Flow* – This applies to all customers that are supplied with water via a restricted flow connection (this applies to most rural customers). This is a fixed charge per “unit of water”. One unit is equivalent to one cubic meter of water per day for 365 days per year. The user can nominate how many units they wish to buy. The charge unit is \$297.39 excl GST (2024/25 year).
- *Waitara Industrial Water Supply* – The Long-Term Plan lists a consumption charge per cubic meter of untreated water provided via the Waitara Industrial Supply. In practice this is not used as the scheme has been mothballed and is no longer operable. Council has closed the last contract (ECM8771119) and intends to decommission the associated infrastructure.
- *Development Contributions* – The Council charges a development contribution per Household Equivalent Unit (HUE). There are two components to the charge, a district wide component and a component that only applies to properties serviced by the New Plymouth scheme.
- *Fees and charges* – The Council charges fees for other specific activities. These include obtaining a new water connection, installation of a water meter, disconnection from the network, a one-off water meter reading, change in restrictor size and the use of a water filling point.

Proposed Approach

NPDC are currently in the process of installing water meters on every residential on-demand property with the move to volumetric billing in the 2027/28 financial year, with a year of mock billing prior (2026/27). On 12 August 2025 Council resolved to implement a volumetric charging tariff structure for this. Council is also intending to undertake a review of the Revenue and Financing Policy as part of the 2027-37 LTP process to enable billing by.

To align with the requirements of clause 60.6.a the 5% charge on general rates has been removed from FY 27/28 onwards for the purposes of financial modelling. The final decision on how this is approached will be made as part of the 27-37 LTP process.

Wastewater**Current Approach**

Funding for the wastewater activity comes from eight sources as follows:

- *General rates* – 5% of the rates requirement is sourced from general rates to reflect the benefit to the wider community of the wastewater network.
- *Annual Sewer Charge for Residential* – This applies to all residential properties. It is a targeted rate being a fixed amount SUIP connected either directly or indirectly through a private drain to a public sewerage drain. For 24/25 the amount per SUIP is \$646.09/year excl GST.
- *Annual Sewer Charge for commercial/industrial and schools* – This applies to all commercial and industrial properties and schools. It is a targeted rate charged per water closet or urinal to each SUIP connected either directly or indirectly through a private drain to a public sewerage drain. The rates excl GST for this are given in the table below for the 2024/25.:
- *Sewer Half Charge* – This applies to all properties that are within 100 metres of a serviceable pipeline and are not connected to a Council supply. The water half charge is a targeted rate being a fixed amount per SUIP of \$323.04/year excl GST (2024/25 year).
- *Expansion of Sewerage Scheme Charges (Ōākura)* – This applies to all properties where an agreement to connect was obtained but the rating unit has not yet connected. It is a targeted rate being a fixed amount per SUIP of \$323.04/year excl GST (2024/25 year).
- *Trade Waste Charges* – NPDC have a Trade Waste bylaw and this specifies how tradewaste charges are to be calculated. Trade Waste rates are derived using the average of the last two years plus the current projected year opex costs for Volume, Biochemical oxygen demand, Suspended Solids and specific metals.
- *Development Contributions* – The Council charges a development contribution per Household Equivalent Unit (HUE). There are two components to the charge, a district wide component and a component that only applies to properties within the Waimea Catchment.
- *Fees and charges* – The Council charges a fee for obtaining a new sewer connection and disconnection from the network.

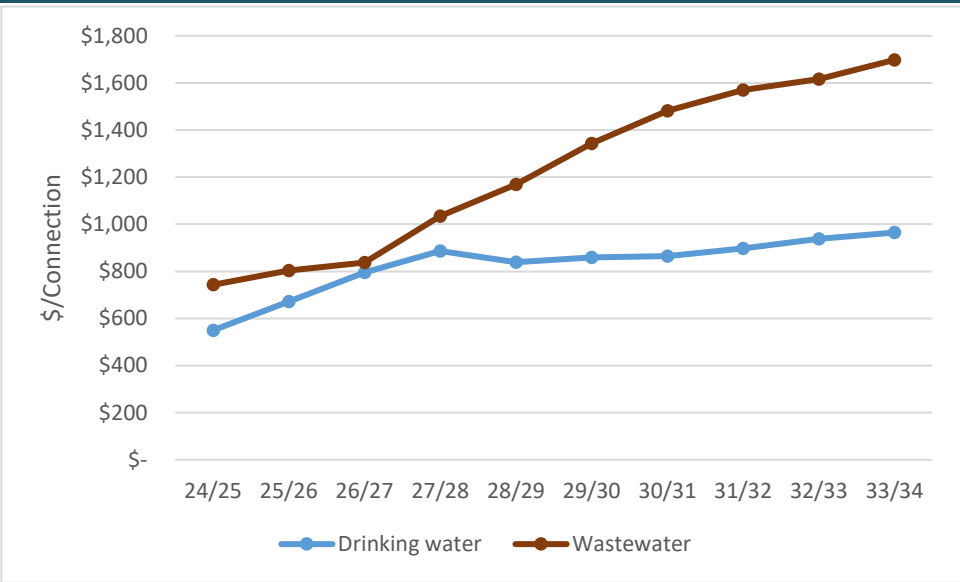
Proposed Approach

To align with the requirements of clause 60.6.a the 5% charge on general rates has been removed from FY 27/28 onwards for the purposes of financial modelling. The final decision on how this is approached will be made as part of the 27-37 LTP process

There are other changes proposed at this time, however should volumetric billing of wastewater become permitted it will form part of the tariff structure assessment carried out under the universal water metering project.

Projected users' charges

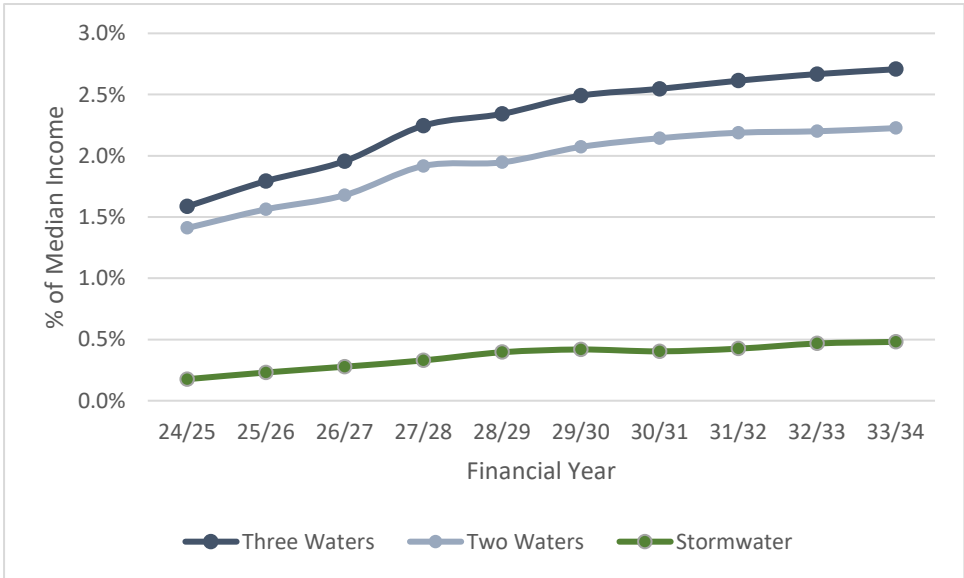
The key projected user charges for water and wastewater are given in the figure below. Note: these do not include the 5% that is sourced from general rates prior to 2027/28 FY. These charges include both capital and operational costs and inclusive of GST.



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 (\$89,000) 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 2Waters Services' is expected to increase from \$151M to \$208M over the 10 years of the LTP 2024-34.

For the New Plymouth CCO 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.
- LGFA guarantee from NPDC (shareholder Council)
- 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 borrowing over the 10 years are within external limits (except for the 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 manages 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's 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 borrowed value for water and wastewater services plus overdrawn reserves as of the 30th of June 2024 was \$151M and the net debt to operating revenue ratio was 393%.

Insurance 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 water and wastewater 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.

Insurance Continuity for WSCCOs and Legislative Risk

LAPP has confirmed its ability to continue providing insurance cover for Water Services Council Controlled Organisations (WSCCOs), ensuring continuity of protection as the WSCCO is established. However, the long-term future of the programme remains uncertain due to ongoing legislative changes. Should LAPP be discontinued, the WSCCO would need to identify alternative insurance arrangements to maintain coverage.

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.

Interim Insurance Arrangements and Corporate Coverage

NPDC will maintain insurance for all strategic assets—including Three Waters infrastructure and other Council-owned assets—under its current policies until asset transfer occurs. Coverage terms and renewal periods are expected to remain consistent with existing Council arrangements during this interim period. Additionally, corporate insurance requirements for the WSCCO, such as Directors & Officers liability cover, will be secured to ensure comprehensive protection.

Asset Data Improvement for Risk and Insurance Accuracy

NPDC is committed to enhancing the quality and completeness of its asset data to support more accurate risk modelling and insurance coverage. This includes both underground Three Waters infrastructure and other strategic Council assets. Improved asset information enables more precise calculation of PML, which is critical for securing central government support following natural disasters and determining the appropriate mix of external insurance, self-insurance, and borrowing.

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.

Coverage for Above-Ground Assets and Asset Management Systems

For above-ground assets, NPDC holds full replacement cover under its Material Damage and Business Interruption policies. Asset identification and valuation are managed through NPDC's Asset Management System, which maintains detailed records by site and asset feature, including estimated life and condition data. This system is updated throughout the year and reviewed annually to ensure insurance coverage remains aligned with asset value and risk exposure.

Summary of Insured Values and Strategic Benefits

Currently, NPDC insures \$1.69 billion of water assets through LAPP, with total protected asset values reaching \$2.77 billion based on optimised replacement costs. Enhanced asset data not only strengthens maintenance and renewal planning but also improves insurers' confidence in the region's risk profile, supporting more robust and reliable coverage.

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 water services

Financially sustainable water services provision

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

The WSCCO for the delivery of drinking water and wastewater services is forecasted to be financially sustainable. Confirmation of financial sustainability includes confirmation that:

- The forecast revenue is sufficient to service debt and deliver the water services required in the 30-year capital programme.
- The 30-year capital programme includes sufficient investment to meet the forecast levels of service, regulatory requirements and projected growth across the district.
- Appropriate funding and financing arrangements will be put in place 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 water services

Council is currently achieving financial sustainability albeit with increasing rates leading to concerns about affordability. The WSCCO is expected to continue operating within a financially sustainable framework. As demonstrated in the financial projections and graphs below, the WSCCO will remain below the legislated net debt to revenue limit and LGFA borrowing covenants.

Risks and constraints to achieving financially sustainable delivery of water 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.

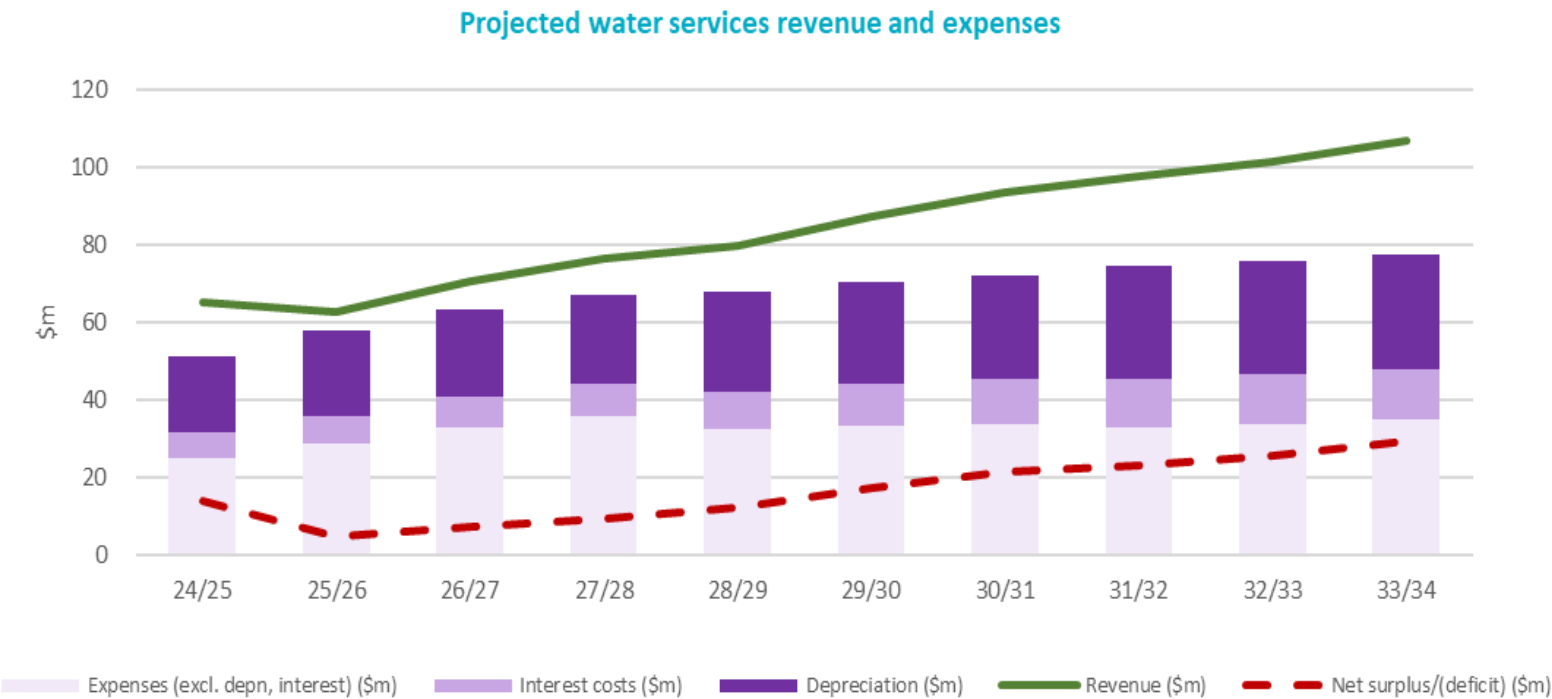
There are no foreseeable constraints on achieving financially sustainable delivery of water services as this is occurring already.

Financially sustainable assessment - revenue sufficiency

Assessment of revenue sufficiency

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

The financial model forecasts that the WSCCO will generate sufficient revenue to cover all expenses, including the level of investment required and ongoing operational costs. This financial sustainability enables the WSCCO to continue to deliver safe, reliable, and regulatory-compliant drinking water and wastewater services. By maintaining adequate funding, the WSCCO can meet all regulatory standards, protect public health, and support long-term planning and infrastructure development to ensure high-quality water services for the community.



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

Estimated water services charges are presented below. They have been calculated by dividing the annual revenue required to deliver the service by the number of connections. The median household income for 2023/24 was estimated to be \$89,000, from the 2023 census data for the Taranaki region and is then inflated at 3% annually.

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
Drinking water	550	672	795	886	839	859	865	898	939	965
Wastewater	743	804	837	1,034	1,170	1,343	1,481	1,570	1,616	1,698
Average charge per connection / rating unit	1,293	1,476	1,632	1,920	2,008	2,203	2,346	2,467	2,555	2,663
Increase in average charge	14%	14%	11%	18%	5%	10%	7%	5%	4%	4%
Water services charges as % of median household income	1.4%	1.5%	1.6%	1.8%	1.9%	2.0%	2.1%	2.1%	2.1%	2.2%

Projected operating surpluses/(deficits) for drinking water and wastewater services

Operating surplus ratio (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	(4,340)	(3,760)	(2,877)	753	2,953	7,252	10,744	13,051	15,882	18,955
Operating revenue – combined water services	47,000	54,120	60,259	67,748	70,665	77,459	82,779	87,684	91,726	96,346
Operating surplus ratio	(9.2%)	(6.9%)	(4.8%)	1.1%	4.2%	9.4%	13.0%	14.9%	17.3%	19.7%

The NPDC WSCCO 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 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'.

Projected operating cash surpluses for water services

Operating cash ratio (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) + depreciation + interest costs - capital revenues	22,040	25,510	27,183	32,003	38,403	44,302	49,034	54,781	57,872	61,575
Operating revenue – combined water services	47,000	54,120	60,259	67,748	70,665	77,459	82,779	87,684	91,726	96,346
Operating cash ratio	46.9%	47.1%	45.1%	47.2%	54.3%	57.2%	59.2%	62.5%	63.1%	63.9%

The NPDC WSCCO 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.

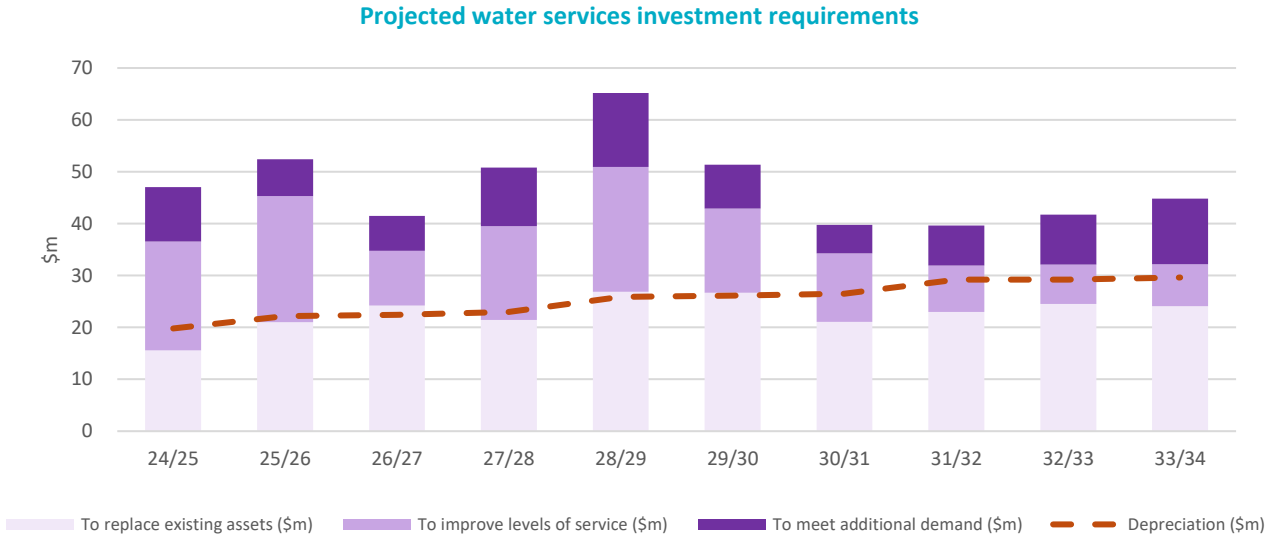
Any future surplus that is determined as unnecessary is available for lower rates increase (or higher debt repayments). The NZ contracting supplier chain has passed on some significant inflation increases over the past few years meaning that the accuracy of expenditure estimates 'are simply the best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

Financially sustainable assessment - investment sufficiency

Assessment of investment sufficiency

Projected water 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 WSCCO has sufficient debt headroom to finance the required investments.
The investment sufficiency test has been met by NPDC WSCCO.



Renewals requirements for water services

Asset sustainability ratio (\$K) – water and wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Capital expenditure on renewals – water and wastewater assets	15,570	21,000	24,210	21,410	26,870	26,713	21,098	22,981	24,512	24,109
Depreciation – water and wastewater assets	19,800	22,210	22,410	22,980	25,860	26,110	26,480	29,220	29,220	29,620
Asset sustainability ratio	(21.4%)	(5.4%)	8.0%	(6.8%)	3.9%	2.3%	(20.3%)	(21.4%)	(16.1%)	(18.6%)

- See section 5.3 Renewal Plan of the Three Waters AMPs for details on the forecast renewals spend and supporting information. For full Asset Management Plans, please go to:
 - [2024-water-supply-asset-management-plan.pdf](#)
 - [2024-wastewater-asset-management-plan.pdf](#)

As identified above there is an acknowledged backlog of renewals. To address this spending increases from \$15M to \$26M 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. Contributing causes may include the extensive use of lining for wastewater renewals which is cheaper than full replacement typically allowed for in the valuation, the approach to above ground assets which is less mature than for pipes. Further work will be required by the WSCCO to understand and address this issue. If additional investment is required adequate debt headroom is available to make this affordable.

Asset sustainability ratio (\$K) – water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Capital expenditure on renewals – water assets	6,910	8,930	10,610	8,430	6,650	6,993	6,926	11,166	11,763	11,741
Depreciation - water	7,080	7,950	8,130	8,340	9,320	9,390	9,560	10,610	10,590	10,750
Asset sustainability ratio	(2.4%)	12.3%	30.5%	1.1%	(28.6%)	(25.5%)	(27.6%)	5.2%	11.1%	9.2%

Asset sustainability ratio (\$K) – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Capital expenditure on renewals – wastewater assets	8,660	12,070	13,600	12,980	20,220	19,720	14,172	11,814	12,749	12,368
Depreciation – wastewater	12,720	14,260	14,280	14,640	16,540	16,720	16,920	18,610	18,630	18,870
Asset sustainability ratio	(31.9%)	(15.4%)	(4.8%)	(11.3%)	22.2%	17.9%	(16.2%)	(36.5%)	(31.6%)	(34.5%)

Total water services investment required over 10 years

Asset investment ratio – Two Waters (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total capital expenditure – all water services assets	47,060	52,400	41,500	50,810	65,210	51,349	39,740	39,661	41,762	44,795
Depreciation – all water services assets	19,800	22,210	22,410	22,980	25,860	26,110	26,480	29,220	29,220	29,620
Asset investment ratio	137.7%	135.9%	85.2%	121.1%	152.2%	96.7%	50.1%	35.7%	42.9%	51.2%

- [See section 5 Lifecycle Management Plan of the Three Waters AMPs for details on total forecast capital expenditure, key service deficiencies and the basis for forecast expenditure](#)

The proposed level of investment for potable water has been determined based on planning process that commenced in 2015 and are ongoing. The wastewater planning process is of moderate maturity, having commenced in 2021, with the issues well understood but the investment required to resolve still being clarified.

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 – Two waters (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Book value of water and wastewater infrastructure assets	742,720	789,249	827,281	874,139	932,720	977,546	1,010,357	1,041,005	1,073,326	1,108,894
Replacement value of water and wastewater infrastructure assets	1,462,315	1,546,886	1,625,511	1,713,708	1,816,620	1,906,117	1,983,980	2,063,320	2,144,285	2,229,822
Asset consumption ratio	50.8%	51.0%	50.9%	51.0%	51.3%	51.3%	50.9%	50.5%	50.1%	49.7%

Asset consumption ratio – Water (\$K)	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	260,246	276,861	296,106	313,396	328,301	341,080	353,481	369,751	384,214	400,515
Replacement value of water infrastructure assets	500,748	530,605	564,069	595,863	626,302	654,729	682,963	716,433	748,073	782,037
Asset consumption ratio	52.0%	52.2%	52.5%	52.6%	52.4%	52.1%	51.8%	51.6%	51.4%	51.2%

Asset consumption ratio – Wastewater (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Book value of wastewater infrastructure assets	482,474	512,388	531,176	560,743	604,419	636,466	656,876	671,254	689,112	708,379
Replacement value of wastewater infrastructure assets	961,567	1,016,281	1,061,442	1,117,845	1,190,318	1,251,388	1,301,017	1,346,887	1,396,213	1,447,785
Asset consumption ratio	50.2%	50.4%	50.0%	50.2%	50.8%	50.9%	50.5%	49.8%	49.4%	48.9%

- 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 50% for both waters over the 10 years.

Financially sustainable assessment - financing sufficiency

Assessment of financing sufficiency																																																																																																															
Confirmation that sufficient funding and financing can be secured to deliver water services																																																																																																															
The required levels of borrowings can be sourced. This is based on the assumption that i) water and wastewater a minimum borrowing threshold of 9% FFO to net debt will be available from the LGFA under no less favourable terms than council can currently source funding, ii) council will have the ability to borrow internally, subject to overall WoC borrowing limits not being breached; and iii) the CCO will be able to source funding from the LGFA where a minimum borrowing threshold of 9% FFO to net debt is maintained.																																																																																																															
Projected <u>council</u> borrowings against borrowing limits	Projected <u>water services</u> borrowings against borrowing limits																																																																																																														
Projected council net debt to operating revenue This chart displays projected council net debt to operating revenue from FY24/25 to FY33/34. The left y-axis represents Net debt (\$m) from 0 to 1,200. The right y-axis represents Net debt to operating revenue (%) from 0% to 360%. A solid purple line shows net debt increasing from ~220m to ~380m. A solid blue line shows total operating revenue increasing from ~180m to ~220m. A dashed orange line shows the net debt to operating revenue ratio increasing from ~120% to ~180%. A dashed red line indicates a borrowing limit at 300%. <table><tr><th>Fiscal Year</th><th>Net debt (\$m)</th><th>Total operating revenue (\$m)</th><th>Net debt to operating revenue (%)</th><th>Borrowing limit (%)</th></tr><tr><td>24/25</td><td>220</td><td>180</td><td>120%</td><td>300%</td></tr><tr><td>25/26</td><td>240</td><td>190</td><td>125%</td><td>300%</td></tr><tr><td>26/27</td><td>260</td><td>200</td><td>130%</td><td>300%</td></tr><tr><td>27/28</td><td>280</td><td>210</td><td>135%</td><td>300%</td></tr><tr><td>28/29</td><td>300</td><td>220</td><td>140%</td><td>300%</td></tr><tr><td>29/30</td><td>320</td><td>230</td><td>145%</td><td>300%</td></tr><tr><td>30/31</td><td>340</td><td>240</td><td>150%</td><td>300%</td></tr><tr><td>31/32</td><td>360</td><td>250</td><td>155%</td><td>300%</td></tr><tr><td>32/33</td><td>380</td><td>260</td><td>160%</td><td>300%</td></tr><tr><td>33/34</td><td>380</td><td>220</td><td>180%</td><td>300%</td></tr></table>	Fiscal Year	Net debt (\$m)	Total operating revenue (\$m)	Net debt to operating revenue (%)	Borrowing limit (%)	24/25	220	180	120%	300%	25/26	240	190	125%	300%	26/27	260	200	130%	300%	27/28	280	210	135%	300%	28/29	300	220	140%	300%	29/30	320	230	145%	300%	30/31	340	240	150%	300%	31/32	360	250	155%	300%	32/33	380	260	160%	300%	33/34	380	220	180%	300%	Projected Water Services Debt This chart displays projected water services debt from FY24/25 to FY33/34. The left y-axis represents Net debt (\$m) from 0 to 700. The right y-axis represents FFO to gross debt (%) from 0% to 40%. A solid purple line shows net debt increasing from ~180m to ~220m. A solid grey line shows debt headroom increasing from ~200m to ~380m. A solid yellow line shows the FFO to gross debt ratio increasing from ~10% to ~25%. A dashed red line indicates a water borrowing limit at 10%. <table><tr><th>Fiscal Year</th><th>Net debt (\$m)</th><th>Debt headroom (\$m)</th><th>FFO to gross debt (%)</th><th>Water borrowing limit (%)</th></tr><tr><td>FY24/25</td><td>180</td><td>200</td><td>10%</td><td>10%</td></tr><tr><td>FY25/26</td><td>200</td><td>220</td><td>11%</td><td>10%</td></tr><tr><td>FY26/27</td><td>220</td><td>240</td><td>12%</td><td>10%</td></tr><tr><td>FY27/28</td><td>240</td><td>260</td><td>13%</td><td>10%</td></tr><tr><td>FY28/29</td><td>260</td><td>280</td><td>14%</td><td>10%</td></tr><tr><td>FY29/30</td><td>280</td><td>300</td><td>15%</td><td>10%</td></tr><tr><td>FY30/31</td><td>300</td><td>320</td><td>16%</td><td>10%</td></tr><tr><td>FY31/32</td><td>320</td><td>340</td><td>17%</td><td>10%</td></tr><tr><td>FY32/33</td><td>340</td><td>360</td><td>18%</td><td>10%</td></tr><tr><td>FY33/34</td><td>380</td><td>380</td><td>25%</td><td>10%</td></tr></table>	Fiscal Year	Net debt (\$m)	Debt headroom (\$m)	FFO to gross debt (%)	Water borrowing limit (%)	FY24/25	180	200	10%	10%	FY25/26	200	220	11%	10%	FY26/27	220	240	12%	10%	FY27/28	240	260	13%	10%	FY28/29	260	280	14%	10%	FY29/30	280	300	15%	10%	FY30/31	300	320	16%	10%	FY31/32	320	340	17%	10%	FY32/33	340	360	18%	10%	FY33/34	380	380	25%	10%
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Projected borrowings for water 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
Projected free funds from operations – water services	17,370	21,155	23,253	27,948	33,408	38,311	42,473	47,216	49,962	53,695
Net debt attributed to water services (gross debt less cash)	164,755	190,295	202,173	220,822	248,030	256,118	248,137	235,637	222,577	208,557
Free funds from operations to net debt ratio	10.5%	11.1%	11.5%	12.7%	13.5%	15.0%	17.1%	20.0%	22.4%	25.7%

NPDC drawdown debt to fund day-to-day cashflow requirements, for further detail refer to the Treasury Management Policy.

The NPDC WSCCO will require a Debt Guarantee from Shareholder Council.

NPDC WSCCO free funds from operations is above the proposed Water Services minimum borrowing limit of 9%.

Borrowing headroom/(shortfall) for water services

Free funds from operations	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projected free funds from operations – water services	17,370	21,155	23,253	27,948	33,408	38,311	42,473	47,216	49,962	53,695
Free funds from operations to net debt ratio limit	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%
Maximum allowable net	193,000	235,056	258,362	310,528	371,195	425,679	471,921	524,618	555,136	596,610
Projected net debt attributed to water services	164,755	190,295	202,173	220,822	248,030	256,118	248,137	235,637	222,577	208,557
Borrowing headroom/(shortfall) against limit	28,245	44,761	56,188	89,707	123,165	169,561	223,785	288,982	332,560	388,054

The NPDC WSCCO FFO to net debt ratio consistently exceeds the LGFA covenant of >9% and increases over time leading to significant debt headroom by the end of the 10 years. This is in line with the NPDC Financial Strategy to increase Rates income to fund Renewals Capital expenditure.

NPDC WSCCO will need to create a free funds from operations to net debt ratio limit for Water Services to be agreed with the Shareholder Council guaranteeing the debt.

Part E: Projected financial statements for water 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	0	1,890	2,160	2,280	0	0	0	0	0	0	0
Targeted rates	35,650	42,110	48,900	54,859	64,558	67,405	74,139	79,399	84,244	88,216	92,776
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	2,870	3,000	3,060	3,120	3,190	3,260	3,320	3,380	3,440	3,510	3,570
Total operating funding	38,520	47,000	54,120	60,259	67,748	70,665	77,459	82,779	87,684	91,726	96,346
Applications of operating funding											
Payments to staff and suppliers	12,140	14,040	16,660	20,631	22,347	18,780	19,488	20,116	19,923	20,798	21,512
Finance costs	5,470	6,580	7,060	7,650	8,270	9,590	10,940	11,810	12,510	12,770	13,000
Internal charges and overheads applied	11,340	10,920	11,950	12,444	13,398	13,482	13,669	13,630	12,980	13,056	13,260
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	28,950	31,540	35,670	40,725	44,015	41,852	44,097	45,555	45,413	46,624	47,771
Surplus/(deficit) of operating funding	9,570	15,460	18,450	19,533	23,733	28,813	33,362	37,224	42,271	45,102	48,575
Sources of capital funding											

Subsidies and grants for capital expenditure	22,680	14,380	3,000	2,650	0	0	0	0	0	0	0
Development and financial contributions	2,130	3,820	5,410	7,438	8,428	9,188	9,898	10,498	9,890	9,720	10,240
Increase/(decrease) in debt	10,760	11,260	21,390	6,018	19,988	32,408	17,108	5,608	480	740	3,180
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding	35,570	29,460	29,800	16,107	28,417	41,597	27,007	16,107	10,370	10,460	13,420
Applications of capital funding											
Capital expenditure - to meet additional demand	10,120	10,510	7,090	6,740	11,290	14,290	8,422	5,499	7,747	9,651	12,607
Capital expenditure - to improve levels of services	26,700	20,980	24,310	10,550	18,110	24,050	16,214	13,144	8,933	7,599	8,079
Capital expenditure - to replace existing assets	13,710	15,570	21,000	24,210	21,410	26,870	26,713	21,098	22,981	24,512	24,109
Increase/(decrease) in reserves	(5,390)	(2,140)	(4,150)	(5,860)	1,340	5,200	9,020	13,590	12,980	13,800	17,200
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	45,140	44,920	48,250	35,640	52,150	70,410	60,369	53,330	52,641	55,562	61,995
Surplus/(deficit) of capital funding	(9,570)	(15,460)	(18,450)	(19,533)	(23,733)	(28,813)	(33,362)	(37,224)	(42,271)	(45,102)	(48,575)
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	38,520	47,000	54,120	60,259	67,748	70,665	77,459	82,779	87,684	91,726	96,346
Other revenue	24,810	18,200	8,410	10,088	8,428	9,188	9,898	10,498	9,890	9,720	10,240
Total revenue	63,330	65,200	62,530	70,347	76,176	79,853	87,357	93,277	97,574	101,446	106,586
Operating expenses	12,140	14,040	16,660	20,631	22,347	18,780	19,488	20,116	19,923	20,798	21,512
Finance costs	5,470	6,580	7,060	7,650	8,270	9,590	10,940	11,810	12,510	12,770	13,000
Overheads and support costs	11,340	10,920	11,950	12,444	13,398	13,482	13,669	13,630	12,980	13,056	13,260
Depreciation & amortisation	18,400	19,800	22,210	22,410	22,980	25,860	26,110	26,480	29,220	29,220	29,620
Total expenses	47,350	51,340	57,880	63,135	66,995	67,712	70,207	72,035	74,633	75,844	77,391
Net surplus / (deficit)	15,980	13,860	4,650	7,212	9,182	12,142	17,150	21,242	22,941	25,602	29,195
Revaluation of infrastructure assets	0	20,839	16,340	18,942	19,027	19,231	19,587	19,551	20,207	19,779	20,393
Total comprehensive income	15,980	34,699	20,990	26,154	28,209	31,373	36,737	40,793	43,148	45,381	49,588
Cash surplus / (deficit) from operations (excl depreciation)	34,380	33,660	26,860	29,622	32,162	38,002	43,260	47,722	52,161	54,822	58,815

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	34,380	33,660	26,860	29,622	32,162	38,002	43,260	47,722	52,161	54,822	58,815
Net cashflows from operating activities	34,380	33,660	26,860	29,622	32,162	38,002	43,260	47,722	52,161	54,822	58,815
Cashflows from investing activities											
Capital expenditure – infrastructure assets	(50,530)	(47,060)	(52,400)	(41,500)	(50,810)	(65,210)	(51,349)	(39,740)	(39,661)	(41,762)	(44,795)
Net cashflows from investing activities	(50,530)	(47,060)	(52,400)	(41,500)	(50,810)	(65,210)	(51,349)	(39,740)	(39,661)	(41,762)	(44,795)
Cashflows from financing activities											
New borrowings	10,760	11,260	21,390	6,018	19,988	32,408	17,108	5,608	480	740	3,180
Repayment of borrowings	-	-	-	-	-	-	-	-	-	-	-
Net cashflows from financing activities	10,760	11,260	21,390	6,018	19,988	32,408	17,108	5,608	480	740	3,180
Net increase/(decrease) in cash and cash equivalents	(5,390)	(2,140)	(4,150)	(5,860)	1,340	5,200	9,020	13,590	12,980	13,800	17,200
Cash and cash equivalents at beginning of year	20,239	14,849	12,709	8,559	2,699	4,039	9,239	18,259	31,849	44,829	58,629
Cash and cash equivalents at end of year	14,849	12,709	8,559	2,699	4,039	9,239	18,259	31,849	44,829	58,629	75,829

Projected statement of financial position

Statement of financial position (\$k)	FY23/24	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	14,849	12,709	8,559	2,699	4,039	9,239	18,259	31,849	44,829	58,629	75,829
Infrastructure assets	694,621	742,720	789,249	827,281	874,139	932,720	977,546	1,010,357	1,041,005	1,073,326	1,108,894
Total assets	709,470	755,429	797,808	829,980	878,178	941,959	995,805	1,042,206	1,085,834	1,131,955	1,184,723
Liabilities											
Borrowings - current portion	-	-	-	-	-	-	-	-	-	-	-
Borrowings - non-current portion	166,204	177,464	198,854	204,872	224,861	257,269	274,377	279,986	280,466	281,206	284,386
Total liabilities	166,204	177,464	198,854	204,872	224,861	257,269	274,377	279,986	280,466	281,206	284,386
Net assets	543,266	577,965	598,954	625,108	653,317	684,690	721,427	762,220	805,368	850,750	900,338
Equity											
Revaluation reserve	732,754	753,593	769,933	788,875	807,902	827,133	846,720	866,271	886,478	906,258	926,651
Other reserves	(189,488)	(175,628)	(170,978)	(163,767)	(154,585)	(142,443)	(125,293)	(104,051)	(81,110)	(55,508)	(26,313)
Total equity	543,266	577,965	598,954	625,108	653,317	684,690	721,427	762,220	805,368	850,750	900,338

Water Services Delivery Plan: additional information

Significant capital projects

Significant capital projects

Significant capital projects – drinking water

Significant capital projects – drinking water (\$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										
Water Services For Subdivisions In Unserved Areas	159.4	162.9	166.9	171.4	173.8	177.3	181.5	184.0	187.5	190.9
Central and Eastern Feeder Renewal	-	-	-	-	-	80.5	457.3	2258.4	3713.7	3780.4
Universal Water Metering (WMP)	4477.0	1815.9	-	-	-	-	-	-	-	-
Supplementary Water Source	-	-	322.3	329.7	-	-	-	-	95.0	386.7
Patterson Road Growth Area Water Main	685.0	-	-	-	-	-	-	-	-	-
Veale Rd Pump station inlet and outlet upgrade	-	-	-	-	26.8	202.1	-	-	-	-
PC2 Microbiology Laboratory	-	-	21.6	-	-	-	-	-	-	-
Barrett Road Trunk Main Completion	-	-	-	-	-	-	-	62.1	314.1	-
Smart Road Reservoir - Land Acquisition	-	-	1078.0	-	-	-	-	-	-	-
Smart Rd Reservoir and Water Supply Trunk Main	-	-	-	-	-	-	-	-	-	842.8
Carrington Zone Water Supply Improvements (Growth)	280.8	2473.8	2533.3	-	-	-	-	-	-	-
Ōākura water supply new trunk main (Growth)	-	-	582.1	2977.6	3043.2	-	-	-	-	-

Puketapu Development Area - water supply upgrades	154.5	-	500.5	1795.4	-	-	-	-	-	-
Total investment to meet additional demand (\$K)	5,756.7	4,452.6	5,204.7	5,274.1	3,243.8	459.9	638.8	2,504.5	4,310.3	5,200.8
Projects to improve levels of services										
Mountain Road Reservoirs new Easement re-route	-	-	-	55.1	-	-	-	-	-	-
Water reticulation minor augmentation programme	149.4	152.6	156.3	159.9	163.4	166.7	170.0	173.3	176.6	179.7
NP WTP Intake Fish Screen	686.6	890.8	-	-	-	-	-	-	-	-
NPWTP Major Upgrades	103.0	526.4	1131.9	2205.6	5551.0	7610.7	7364.2	5711.6	-	-
Universal Water Metering (WMP)	2011.4	815.8	-	-	-	-	-	-	-	-
Supplementary Water Source	-	-	2157.1	2206.7	-	-	-	-	635.6	2588.0
Water Customer Equipment Renewals	33.5	34.2	35.0	35.8	36.6	37.4	38.1	38.8	39.6	40.3
Installation of Backflow Preventors	267.8	273.7	280.3	286.7	-	-	-	-	-	-
Inglewood Contingency Intake Fish Exclusion	-	-	-	165.4	1127.1	-	-	-	-	-
Inglewood WTP Sludge Management	181.5	789.5	808.5	-	-	-	-	-	-	-
Patterson Road Growth Area Water Main	36.1	-	-	-	-	-	-	-	-	-
Veale Rd Pump station inlet and outlet upgrade	-	-	-	-	1.4	10.6	-	-	-	-
PC2 Microbiology Laboratory	-	-	194.0	-	-	-	-	-	-	-
NPWTP River intake fish screen and upgrade	274.0	1820.1	-	-	-	-	-	-	-	-
Barrett Road Trunk Main Completion	-	-	-	-	-	-	-	217.5	1099.5	-
Carrington Zone Water Supply Improvements (Growth)	17.9	157.9	161.7	-	-	-	-	-	-	-
Waitara resilience water main (Phase 3)	-	-	-	-	563.6	-	-	-	-	-
Total investment to meet improve levels of services (\$K)	3,761.2	5,461.0	4,924.8	5,115.2	7,443.1	7,825.4	7,572.4	6,141.2	1,951.2	2,808.0

Projects to replace existing assets										
Mountain Road Reservoirs new Easement re-route	-	-	-	55.1	-	-	-	-	-	-
Resource Consent Renewals Water	103.0	147.4	97.0	27.6	-	80.5	58.6	298.7	608.8	309.9
Water Electrical Renewals I&E	309.0	315.8	323.4	330.8	338.1	344.9	351.8	358.5	365.3	371.8
Emergency Water P&E Renewals	123.6	126.4	129.4	132.4	135.3	138.0	140.8	143.4	146.2	148.8
Emergency Water Reticulation Renewals	51.5	105.3	323.4	330.8	338.1	344.9	351.8	358.5	365.3	371.8
Water Building Renewals	11.7	25.3	29.1	83.8	28.2	34.5	82.1	85.4	36.5	275.8
Water Customer Equipment Renewals	636.0	650.0	665.7	681.0	696.0	709.9	724.1	737.9	751.9	765.4
Water Reticulation Renewals Budget	3512.7	5689.8	7675.4	6003.5	4833.4	4935.3	5039.2	8973.7	9144.3	9308.4
Water P&E Renewals WTP - Programmed (Medium)	827.1	1779.1	1368.0	779.9	169.1	172.5	175.9	179.2	182.6	185.9
Ōākura - Wairau trunk main renewal	1317.6	-	-	-	-	-	-	-	-	-
NPWTP Sludge Cone Gravelectic Weigh Cell Replacement	-	-	-	-	112.7	229.9	-	-	-	-
NPWTP River intake fish screen and upgrade	14.4	95.8	-	-	-	-	-	-	-	-
Barrett Road Trunk Main Completion	-	-	-	-	-	-	-	31.1	157.1	-
Total investment to replace existing assets (\$K)	6906.6	8934.9	10611.4	8424.9	6650.9	6990.4	6924.3	11166.4	11757.9	11737.8
Total investment in drinking water assets	16424.5	18848.6	20740.9	18814.4	17337.7	15275.5	15135.5	19812.2	18019.5	19746.7

Significant capital projects – wastewater

Significant capital projects – wastewater (\$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										
Waimea Valley Sewer Extension	-	-	431.2	2,205.6	2,254.2	-	-	-	-	-

Sewer Services For Subdivisions In Unserved Areas	108.2	110.5	113.2	115.8	118.3	120.7	123.1	125.5	127.8	130.1
Upgrading of Huatoki Valley Sewer Main	-	-	111.5	1,140.3	-	-	-	-	-	-
Wastewater Model Build and Update	20.6	21.1	21.6	22.1	1,082.0	1,103.7	23.5	23.9	24.4	1,983.2
Eastern Sewer Network Realignment	-	-	-	-	563.6	574.8	2,345.3	2,389.8	2,435.2	2,478.9
Junction Growth Area Sewer Upgrade Thames	-	-	-	-	-	-	516.0	-	-	-
TDF Crown Infrastructure funded Thermal	2,163.0	1,621.2	-	-	-	-	-	-	-	-
Sutherland Patterson Sewer Main	2,231.0	-	-	-	-	-	-	-	-	-
NPWWTP Master Plan and Buffer Storage - PROGRAMME	-	-	-	-	5,635.5	5,748.2	-	-	-	-
Parklands Ave Extension Puketapu Sewer Main	103.0	526.4	-	1,654.2	497.6	-	-	-	-	-
Smart Road Growth Sewer	-	-	-	-	-	-	-	2,389.8	2,435.2	2,478.9
Junction Street Growth Area Sewer PS	-	-	-	-	-	-	1,031.9	-	-	-
Junction Street Growth Area downstream sewer capacity upgrad	-	-	-	-	-	50.6	516.0	-	-	-
Inglewood Wastewater Overflows - PROGRAMME	103.0	315.8	646.8	661.7	450.8	138.0	70.4	71.7	73.1	86.8
Equipment for new WWTP Laboratory Building	-	-	-	-	225.4	-	-	-	-	-
Waitara Wastewater Overflows PROGRAMME	20.6	42.1	215.6	220.6	225.4	229.9	234.5	239.0	243.5	247.9
Total investment to meet additional demand (\$K)	4,749.4	2,637.1	1,539.9	6,020.3	11,052.8	7,965.9	4,860.7	5,239.7	5,339.2	7,405.8
Projects to improve levels of services										
Urenui & Onaero Sewer System	1,740.7	2,894.9	2,964.5	11,028.0	11,271.0	3,650.1	3,723.2	-	-	-
Upgrading of Huatoki Valley Sewer Main	-	-	7.1	72.8	-	-	-	-	-	-

Wastewater Model Build and Update	5.2	5.3	5.4	5.5	270.5	275.9	5.9	6.0	6.1	495.8
Junction Growth Area Sewer Upgrade Thames	-	-	-	-	-	-	70.4	-	-	-
Sewer Lining & Rehab of Pipes	115.9	118.4	121.3	124.1	126.8	129.3	131.9	134.4	137.0	139.4
Inglewood Dump Station	57.6	-	-	-	-	-	-	-	-	-
TDF Crown Infrastructure funded Thermal	13,287.0	9,958.5	-	-	-	-	-	-	-	-
NPWWTP Septage Reception	-	-	-	-	-	-	117.3	1,194.9	-	-
Bell Block Trunk Sewer - Capacity Upgrade	-	-	-	-	3,471.5	3,540.9	-	-	-	-
Mangati SPS Emergency Storage	772.5	4,737.2	808.5	-	-	-	-	-	-	-
Inglewood Oxidation Ponds and Pump Station Upgrade Project	-	-	-	-	-	-	410.4	836.4	4,870.4	3,966.3
Sutherland Patterson Sewer Main	117.4	-	-	-	-	-	-	-	-	-
Land Disposal Trial adjacent to NPWWTP	-	-	-	-	-	57.5	293.2	-	-	-
NPWWTP Siemens Blowers Air Control Upgrade	-	-	-	-	112.7	-	-	-	-	-
Junction Street Growth Area Sewer PS	-	-	-	-	-	-	140.7	-	-	-
Junction Street Growth Area downstream sewer capacity upgrade	-	-	-	-	-	6.9	70.4	-	-	-
Inglewood Wastewater Overflows - PROGRAMME	206.0	631.6	1,293.6	1,323.4	901.7	275.9	140.7	143.4	146.1	173.5
Waitara Wastewater Overflows PROGRAMME	41.2	84.2	431.2	441.1	450.8	459.9	469.1	478.0	487.0	495.8
Disposal of sludge from NPWWTP large lagoon	206.0	421.1	-	-	-	-	-	-	-	-
Inglewood SPS Screenings Process Water Upgrade	257.5	-	-	-	-	-	-	-	-	-
Waitara TPS HP Washwater System	417.2	-	-	-	-	-	-	-	-	-
Total investment to meet improve levels of services (\$K)	17,224.2	18,851.2	5,631.6	12,994.9	16,605.0	8,396.4	5,573.2	2,793.1	5,646.6	5,270.8

Projects to replace existing assets										
West Quay Pump Station	-	2,526.5	377.3	-	-	-	-	-	-	-
Laboratory Minor Equipment Renewals	7.2	7.4	8.6	8.8	9.0	9.2	9.4	9.6	9.7	9.9
Emergency Wastewater Retic Network Renewals	-	-	-	242.6	248.0	252.9	258.0	262.9	267.9	272.7
Waitara Outfall Pipeline Renewals	61.8	63.2	64.7	66.2	67.6	69.0	70.4	71.7	73.1	74.4
Resource Consent Renewals Wastewater	319.3	631.6	970.2	-	338.1	-	-	-	-	-
Wastewater General I&E Renewals	309.0	684.3	646.8	330.8	338.1	344.9	351.8	358.5	365.3	371.8
Wastewater Building Renewals	25.8	317.9	90.6	168.7	108.2	149.5	5.9	186.4	255.7	116.5
Laboratory Major Equipment Renewals	30.9	31.6	32.3	33.1	33.8	34.5	17.6	23.9	18.3	99.2
Sewer Lining & Rehab of Pipes	656.6	671.1	687.2	703.0	718.5	732.9	747.6	761.8	776.2	790.2
Wastewater Reticulation Renewals Budget	4,635.0	4,737.2	7,007.0	7,168.2	7,326.2	7,472.7	7,622.2	7,766.9	7,914.5	8,056.6
Wastewater Treatment Plant & Equipment Renewals	902.3	639.0	481.9	427.9	703.3	1,101.9	1,288.2	590.3	1,251.1	709.0
New Plymouth Outfall Pipeline Renewals	77.3	79.0	80.9	55.1	56.4	57.5	58.6	59.7	60.9	62.0
Automation control data management system	20.6	21.1	21.6	22.1	22.5	23.0	23.5	23.9	24.4	24.8
Inglewood Wastewater Overflows - PROGRAMME	206.0	631.6	1,293.6	1,323.4	901.7	275.9	140.7	143.4	146.1	173.5
Waitara Wastewater Overflows PROGRAMME	41.2	84.2	431.2	441.1	450.8	459.9	469.1	478.0	487.0	495.8
Wastewater small pumpstation renewals - BUDGET	103.0	105.3	107.8	110.3	112.7	115.0	117.3	119.5	121.8	123.9
Main Control and Laboratory Building Replacement	-	-	215.6	992.5	7,878.4	7,702.6	2,052.1	-	-	-
Wastewater P&E Reticulation Renewals	824.0	842.2	862.4	882.2	901.7	919.7	938.1	955.9	974.1	991.6
Waitara TPS HP Washwater System	417.2	-	-	-	-	-	-	-	-	-

WW529 Waitara WW Upgrades	20.6	-	-	-	-	-	-	-	-	-
Onaero Wastewater Leach Field Replacement	-	-	215.6	-	-	-	-	-	-	-
Total investment to replace existing assets (\$K)	8,657.8	12,073.2	13,595.3	12,976.0	20,215.0	19,721.1	14,170.5	11,812.4	12,746.1	12,371.9
Total investment in wastewater assets	30,631.4	33,561.5	20,766.8	31,991.2	47,872.8	36,083.4	24,604.4	19,845.2	23,731.9	25,048.5

Risks and assumptions

Disclosure of risks and material assumptions for water services delivery

As the WSCCO is established, it will adopt a risk management framework consistent with that currently used by NPDC. This framework provides a structured and proactive approach to identifying, assessing, and managing risks across all levels of decision-making, recognising that risk is inherent in all activities. The WSCCO will maintain a corporate risk register to ensure consistency, transparency, and accountability in its risk management practices. Existing risk recording and management systems associated with water and wastewater services (e.g. within the Water Safety Plan), currently managed by NPDC, will be formally transferred to the Water Services WSCCO and incorporated into its risk register.

Parameters	Drinking supply	Wastewater
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 Water Supply AMP section 6.2 • Ageing infrastructure • Severe weather/natural disaster • Accident or malicious action resulting in service delivery failure • Implementation of Te Mana o te Wai principles could require reduction of allowable water take for supply • Prosecution due to non-compliance with Health and Safety at Work (Hazardous Substances) Regulations • Inability to obtain resource consent(s) for an additional water source • Insufficient planning and funding for growth • Inadequate provision of water for firefighting • Enforcement from breaches of resource consent conditions • Contamination of potable water from backflow • Below ground condition assessments are predominantly age based. • Above ground asset condition is generally not assessed	See Wastewater AMP section 6.2 • Untreated wastewater overflows in Inglewood and Waitara due to sewer capacity constraints • Destruction of critical electrical distribution board resulting in service disruption of > 1 week • Enforcement from breaches of resource consent conditions • Mangati pump station overflow due to insufficient storage • Waitara Wastewater Transfer Pump Station is susceptible to earthquake damage due to physical location on the banks of the Waitara River • Reduced operating efficiency due to illegal dumping or high volumes of trade waste • Below ground condition assessments are 70% age based • Above ground asset condition is generally not assessed
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 projections • Ability to adapt to changing legislation without significant funding or process changes • Accuracy of modelling • Climate change	• Growth projections • 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