Te Kaunihera-ā-Rohe o Ngāmotu
New Plymouth District Council

Water Services Delivery Plan

New Plymouth District Council Water Services Council-Controlled Organisation

Contents

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 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. This change creates a future-ready model capable of meeting the increasing economic and regulatory demands placed on water service delivery with the flexibility for the inclusion of other water service providers in the future.

By creating a WSCCO, NPDC will improve on its ability to provide high quality water services to our community while ensuring there is sufficient capacity to increase investment in infrastructure.

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 Local Government Funding Agency'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.

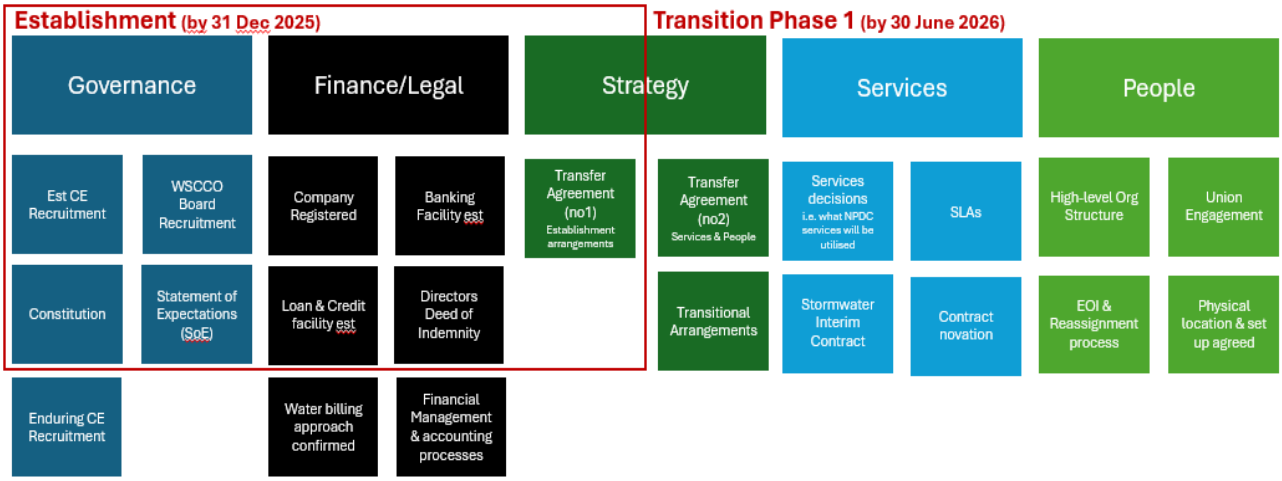
Initially it is anticipated that there will be no changes to revenue collection methods and Council will continue to collect the revenue on behalf of the WSCCO. Over time as part of the entity establishment this responsibility will transition to the new entity. Council is currently contemplating changing the method of charging for water to be volumetric consumption for on-demand customers. This is expected to occur in July 2027.

Implementation plan

Implementation plan

Implementing the proposed service delivery model

WSCCO Establishment 1 Aug 2025 – 30 June 2026



The visual provides a structured overview of the timeline and key milestones for establishing the New Plymouth Water Services Council Controlled Organisation (WSCCO), covering the period from 1 August 2025 to 30 June 2026.

Establishment Phase: Governance, Legal, and Financial Setup

The Establishment phase is dedicated to laying the groundwork across three critical domains: governance, strategy, and finance/legal. Among the foundational tasks are the recruitment of the Establishment Chief Executive (CE) and WSCCO Board, the adoption of the Constitution and Statement of Expectations (SoE), and the execution of the initial Transfer Agreement. Legal and financial infrastructure must be in place, including company registration, banking facilities, and water billing systems to enable the WSCCO to function independently and deliver on its mandate from the outset. The goal is to have completed the Establishment Phase by 31 December 2025.

Operational Readiness: Preparing for Day One

By Operational Day 1—scheduled for 1 July 2026—the WSCCO is expected to be fully operational. This includes the appointment of an enduring Chief Executive, the finalisation of the organisational structure (including the executive team and regulatory roles), and the completion of union engagement and staff reassignment processes. A critical component of the transition involves determining which NPDC services will continue to be utilised under formal Service Level Agreements (SLAs). Identifying these services and executing SLAs ensures operational continuity and delineates responsibilities. Contracts will be novated and transferred to WSCCO, with interim arrangements—including a Stormwater Interim Contract—put in place to maintain uninterrupted service delivery. This phase also includes confirming financial management processes and potentially integrating water billing through Council SLAs, reinforcing the organisation's operational readiness.

Transition Phase 1: Service and Workforce Integration

Building on this foundation, Transition Phase 1 marks a pivotal shift from establishment to operational maturity, with a strong emphasis on aligning services and people to the enduring structure of the WSCCO. This phase includes the execution of a second Transfer Agreement, which is expected to formalise the movement of additional services and personnel into the new entity. A key focus will be on ensuring that staff transitions—whether through direct transfer or secondment—are managed smoothly, with clear communication and support mechanisms in place. The process will also involve finalising service arrangements, including confirmation of which NPDC services will continue under SLAs, and ensuring that all operational contracts are fully novated.

Strategic Asset Transfer: Managing Timing and Risk

The potential transfer of strategic assets to the WSCCO is currently under consideration and is expected to be addressed as part of the second Transfer Agreement. However, this aspect of the transition has not yet been confirmed. To maintain flexibility and avoid triggering a formal amendment to the Long-Term Plan (LTP), Council is reserving the right to defer the transfer of strategic assets to a possible third Transfer Agreement should that be deemed more appropriate. Further legal and strategic advice is being sought to guide this decision, ensuring that any transfer aligns with legislative requirements and broader organisational objectives. This approach allows Council to manage risk prudently while supporting the successful establishment of the WSCCO.

Overall, the summary presents a comprehensive and well-considered plan for establishing the WSCCO. It balances strategic foresight with practical implementation, placing strong emphasis on governance, stakeholder engagement, and service continuity. This approach is designed to ensure a seamless 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

Mana 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.

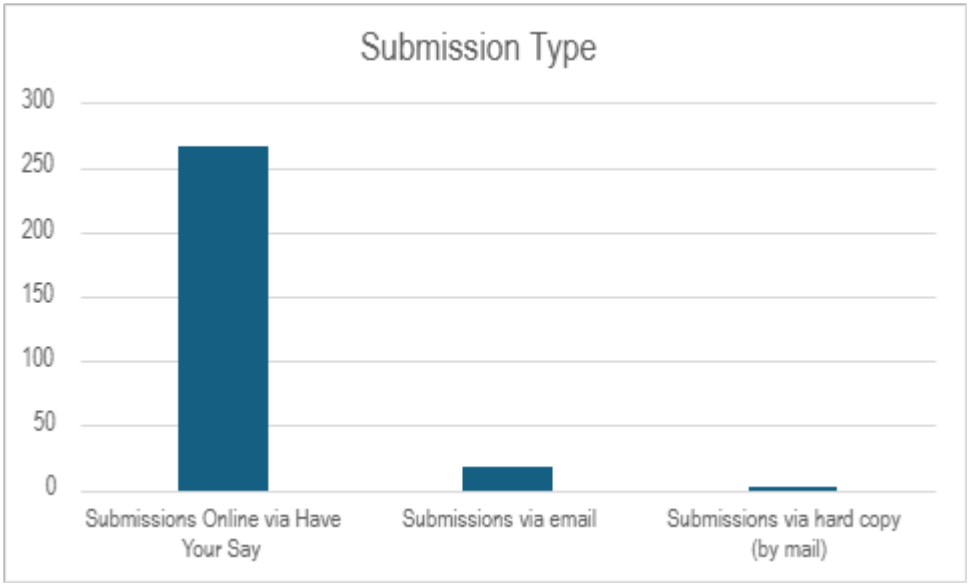
Option 2: A NPDC-only WSCCO, with stormwater asset ownership and delivery would remain with the Council.

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:

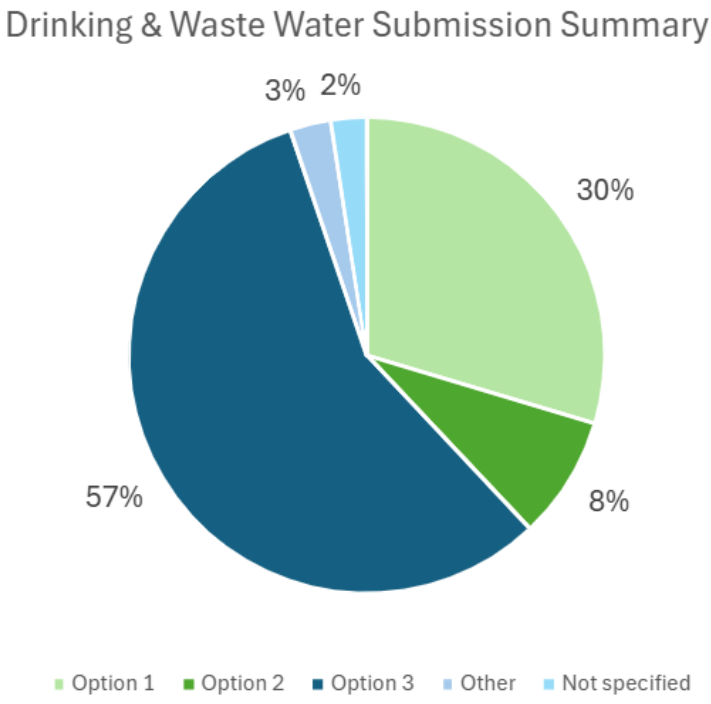
- Messaging in the May NPDC rates notice
- Social media outreach
- Public meetings
- Online engagement via the ‘Have Your Say’ portal
- Email and hardcopy submission options

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.



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. (TBC)
- 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 will be submitted for adoption by NPDC Council at the meeting of 12 August 2025.

A copy of the resolution will be 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: _____

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

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 all contracts and is planning to demission 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 (Wai Comply audit not yet complete)
Our level of compliance with Part 5 of the Drinking-water Standards (protozoal compliance criteria).	Full Compliance	Full Compliance (Wai Comply audit not yet complete)
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; • continuity of supply; and • NPDC's response to any of these issues.	<16	18.34
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).

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 need to be developed by 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	*Reliable* • 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	*Uncertain* • 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%

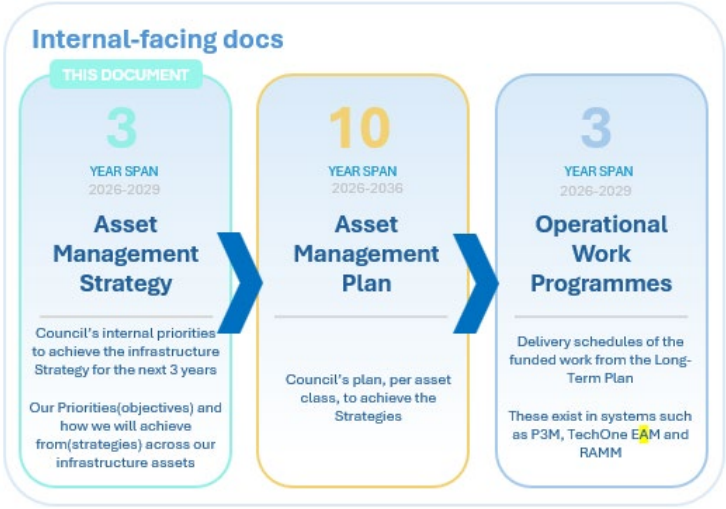
Source: The data in the table is from Taumata Arowai NEPM reporting, as at 30 June 2024.

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

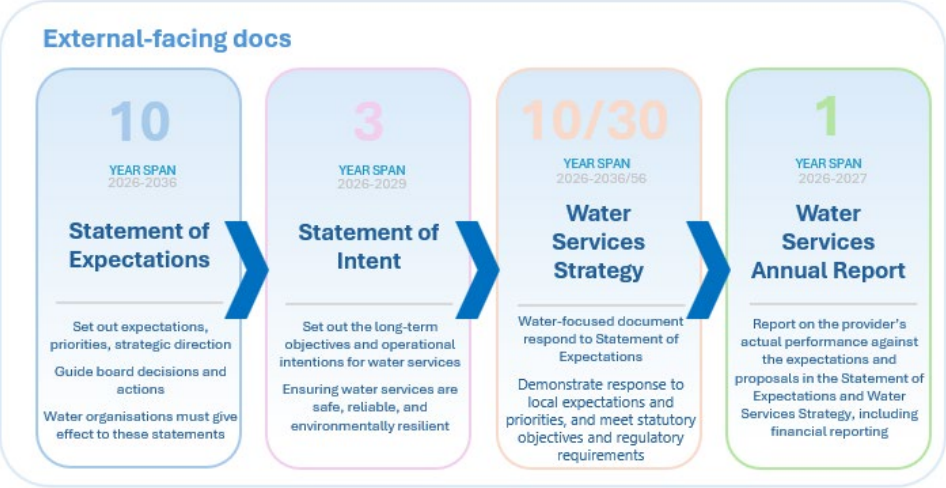
Asset management approach

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. These documents are reviewed and updated every three years, in line with the LTP cycle.

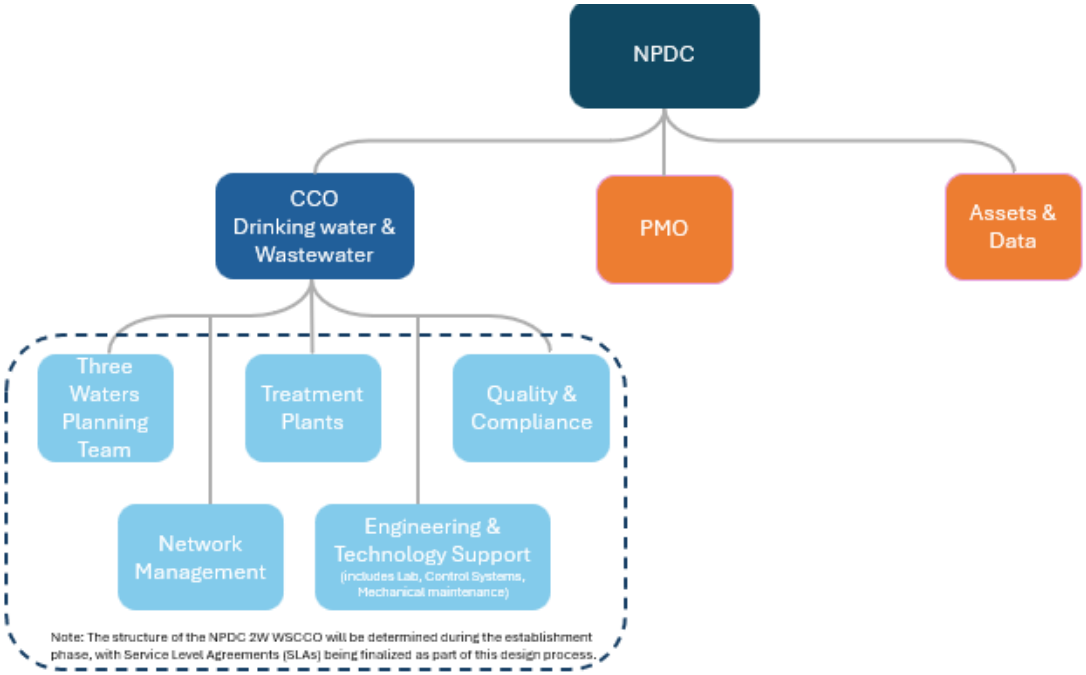


The intention for the CCO is to adopt the same framework, with the addition of specific external reporting requirements outlined below.



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

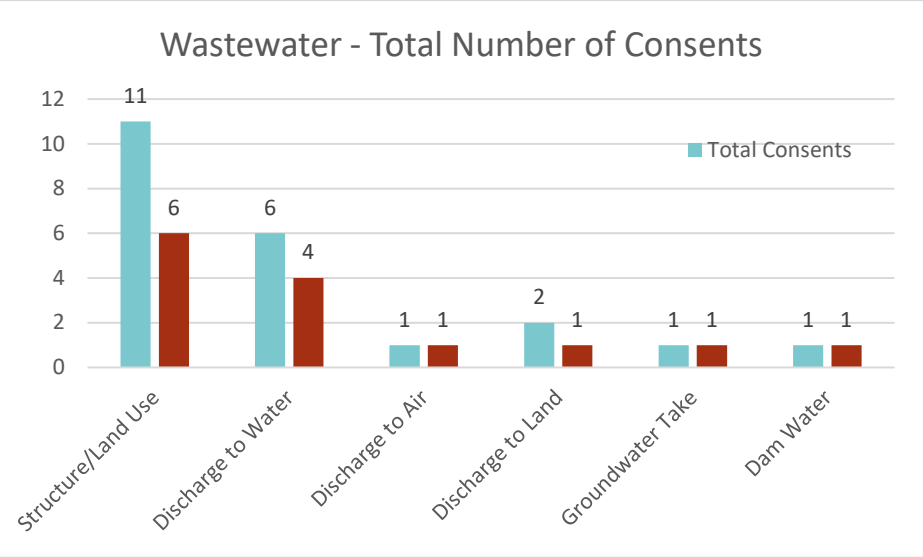
Currently NPDC is compliant with all regulatory requirements with the following exceptions:

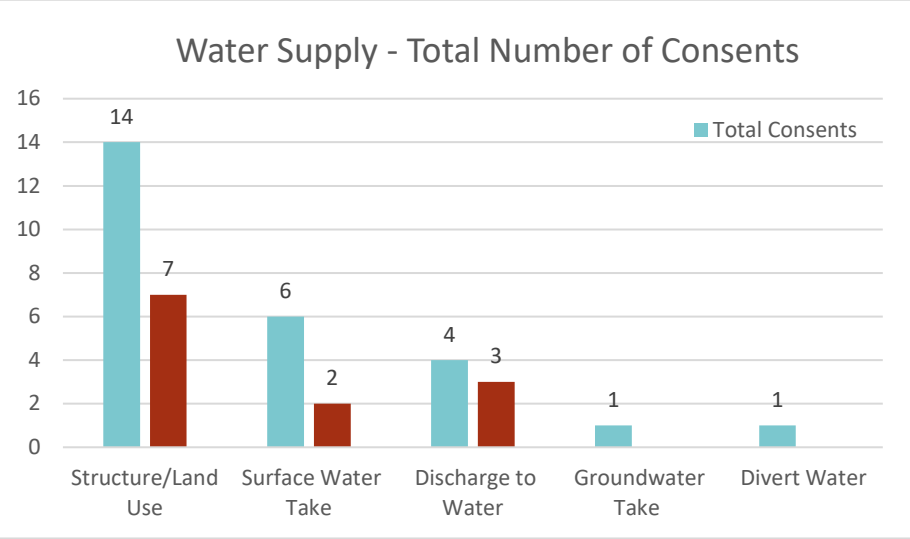
- An abatement notice regarding the need to install fish screens on the water supply intakes at Lake Mangamahoe. Work is underway to address this and is expected to be completed in 2026.

  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.

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.





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 at 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 significantly 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 NPDC will not meet. 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 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. annually 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.

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

Resource Management		
• Significant consents (note if consent is expired and operating on S124)	5 Water abstraction consents, 2 of which are operating on S124 3 water discharge consents, 2 of which are operating on S124	4 Discharge to water consents, 2 to land, 1 to air; 1 of which is operating on S124
• Expire in the next 10 years	[*See above – statement of Regulatory Compliance]*	[*See above – statement of Regulatory Compliance]*

• Non-compliance:
  • Significant risk non-compliance
  • Moderate risk non-compliance
  • Low risk non-compliance
	
	[N/A]
	[N/A]
	NPDC has one active non-compliance for fish passage that is expected to be
	resolved by 2026 [low risk]
		
		[N/A]
		[N/A]
		[N/A]

• Active resource consent applications	[Five awaiting final decision, one awaiting limited notification]	[N/A]

• Compliance actions (last 24 months):
  • Warning
  • Abatement notice
	
	[N/A]
	[EAC-24748 (fish passage)]
		
		[N/A]
		[EAC-24905 (overflow, withdrawn)]

• Infringement notice
  • Enforcement order
  • Convictions
	[N/A]
	[N/A]
	[N/A]
		[N/A]
		[N/A]
		[N/A]

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

The sections below provide a brief description of the current state of planning for each water activity, the key drivers for investment and the significant projects. Please note the project values are uninflated across the 30 years considered in the 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 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.

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	25,048
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

Historical delivery against planned investment

The historical data of New Plymouth District Council is detail in the table below.

There is a gap in planning and funding to provide this which has been managed through a range of measures including: the creation of a dedicated Three Waters Planning Team and significantly increased funding for planning, development and implementation of the Portfolio, Program and Project Management (P3M) Framework in 2020. This includes an increased focus on the creation of robust business cases, streamlining procurement though the creation of panel contracts and other long term broad delivery mechanisms. The 5% under delivery over this time is due a variety of factors including projects coming in under budget, consenting and other delays etc.

Delivery against planned investment	**Renewals investment for water services ($K)**				**Total investment in water services ($K)**			
	FY2024/25	**FY21/22 – FY23/24**	**FY18/19 – FY20/21**	**Total**	**FY2024/25**	**FY21/22 – FY23/24**	**FY18/19 - FY20/21**	**Total**
Total planned investment (set in the relevant LTP)	15,570	48,350	30,110	94,030	47,060	114,850	66,430	228,340
Total actual investment	Not available yet	35,963	27,020	Not available yet	Not available yet	114,141	60,460	Not available yet
Delivery against planned investment (%)	**Not available yet**	**74.4%**	**89.7%**	**Not available yet**	**Not available yet**	**99.4%**	**91.0%**	**Not available yet**

Please note that the FY24/25 values are not yet available at this time of the submission of this report.

To continue to improve delivery NPDC is:

- Continuing to invest in Three Waters planning. In the case of water this is represented by pushing forward with elements with high uncertainty such as land acquisition and consenting so that these are completed and the project is ready to commence well in advance of capital funding becoming available. In the case of wastewater, this is represented by the creation of the Wastewater Treatment Plant Master Plan, the I&I pilot underway in Inglewood and planned for Waitara and the ongoing creation of robust business cases before projects are handed over to Projects.
- Appointing a panel of four consultants and three contractors to facilitate the design and delivery of the more routine Three Waters projects.
- Continuously improving the P3M Framework and its implementation.

The capital program has been designed to minimise peaks and troughs in the workload and where these do occur, they have been smoothed over the preceding and subsequent years where possible. When they do occur the panel contracts and use of contract project managers is expected to be able to absorb the additional work.

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/m^3 excl GST for consumption up to or equal to 50,000m per annum
    - A consumption charge of $1.914/$m^3$ excl GST for consumption in excess of 50,000m^3 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 un-treated 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 is in the process of closing the final contract associated with it and intend 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 intention to move to volumetric billing in the 2027/28 financial year, with a year of mock billing prior (2026/27).

The council is still in the process of determining the 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.:

Number of water closets or urinals	Annual Charge per water closet or urinal
1-2	$646.09
3	$548.70
4	$484.35
5	$420.00
6-10	$387.83
11-15	$355.65
16-20	$342.61
21 or more	$323.04

- *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.

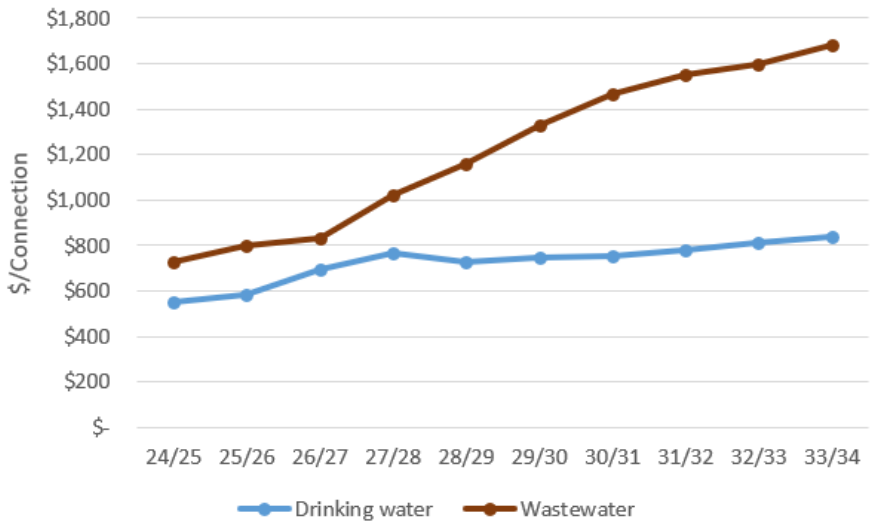
Proposed Approach

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

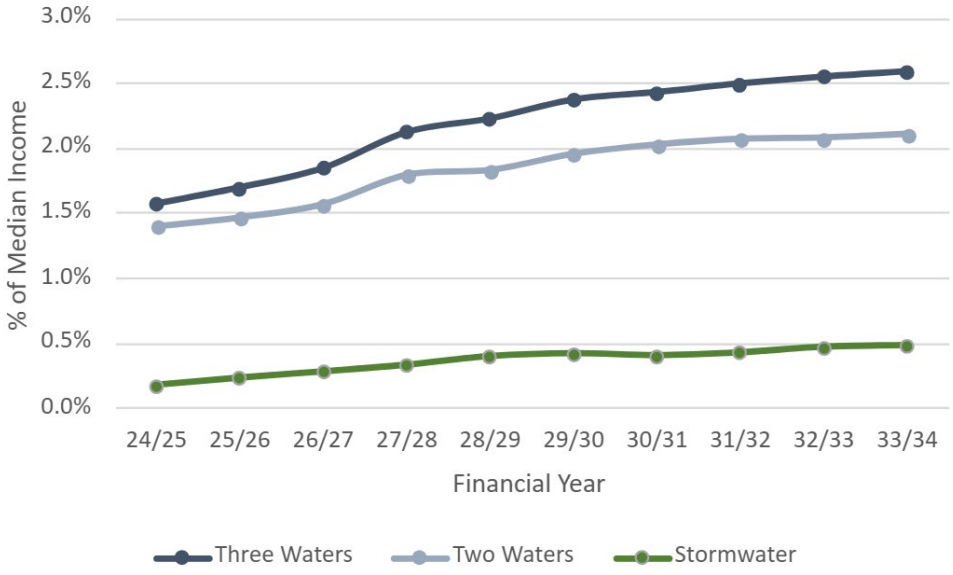
The key projected user charges for water and wastewater are given in the figure below. Note: these do not include the 5% that is sourced from general rates prior to 2027/28 FY.



The affordability of projected water services charges for communities

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

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



Funding and financing arrangements

Funding and financing arrangements

Water services financing requirements and sources

NPDC net debt 'in relation to 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

NPDC 2W CCO can confirm that it is currently financially sustainable. Confirmation of financial sustainability includes confirmation that:

- NPDC has sufficient revenue, including servicing of debt, to deliver water services required in the 30yr capital program.
- The 30yr capital programme includes sufficient investment to meet levels of service, regulatory requirements and provide for growth.
- NPDC has appropriate funding and financing arrangements to fund the 30 yr 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 raising concerns about affordability. As demonstrated in the graphs below, NPDC 2W CCO will remain well 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 PIF provides liquid capital should Council need it.

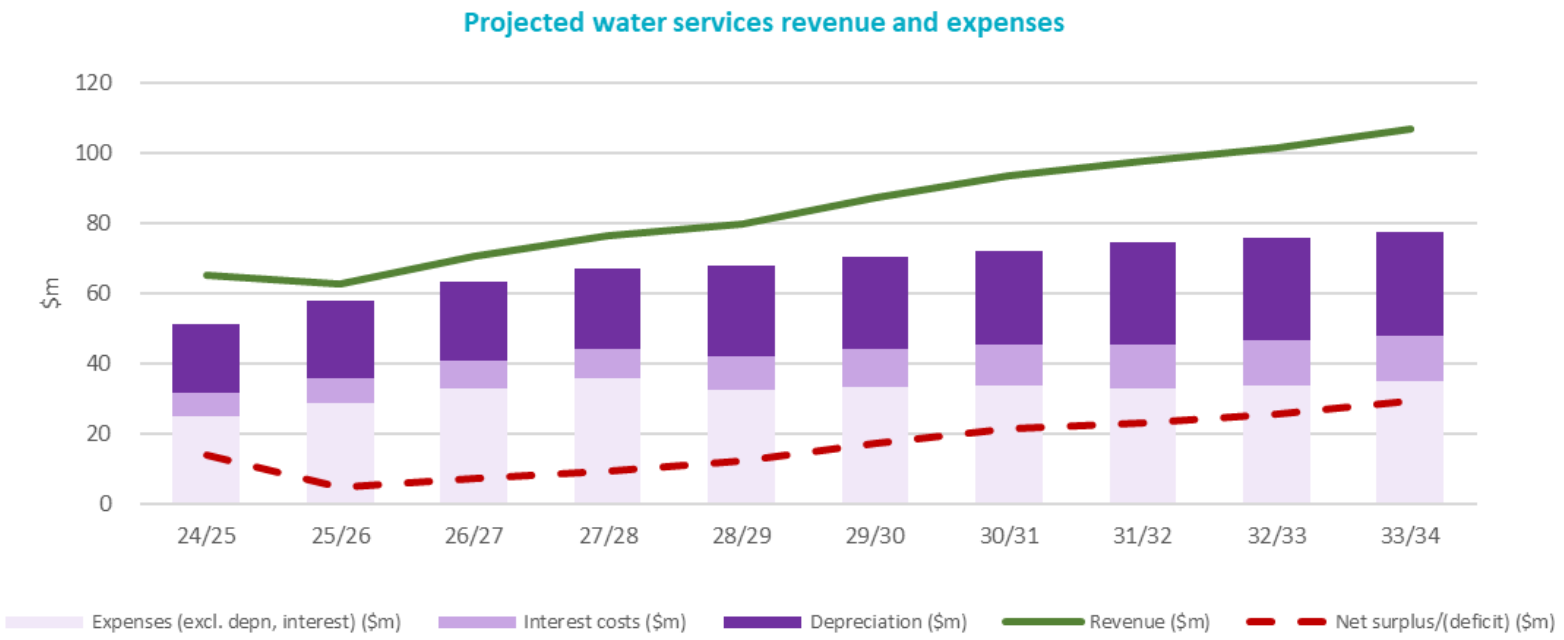
There are no foreseeable constraints on achieving financially sustainable delivery of water services as this is occurring already.

Financially sustainable assessment - revenue sufficiency

Assessment of revenue sufficiency

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

The projected water services revenue exceeds expenses in all years, with the surplus being used to fund debt repayments.



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

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

Projected average charge per connection / rating unit (including GST)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking water	550	584	692	770	729	747	752	781	816	839
Wastewater	729	798	831	1025	1158	1329	1465	1552	1599	1681
Average charge per connection / rating unit	1,279	1,382	1,522	1,796	1,887	2,076	2,217	2,333	2,415	2,520
Increase in average charge	13%	8%	10%	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 2WS CCO 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 2WS CCO 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

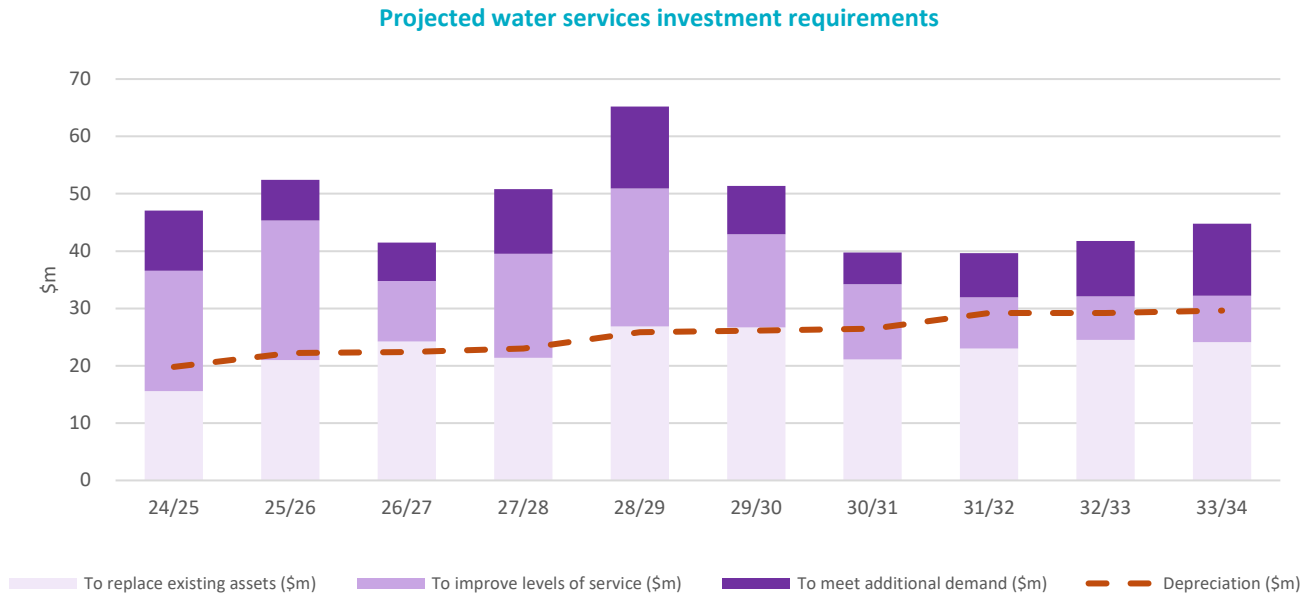
Assessment of investment sufficiency

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 2WS CCO has sufficient debt headroom to finance the required investments.

The investment sufficiency test has been met by NPDC 2WS CCO.



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.*

As identified above there is an acknowledged backlog of renewals. To address this spending increases from 15M to 26M over the first 5years. 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.

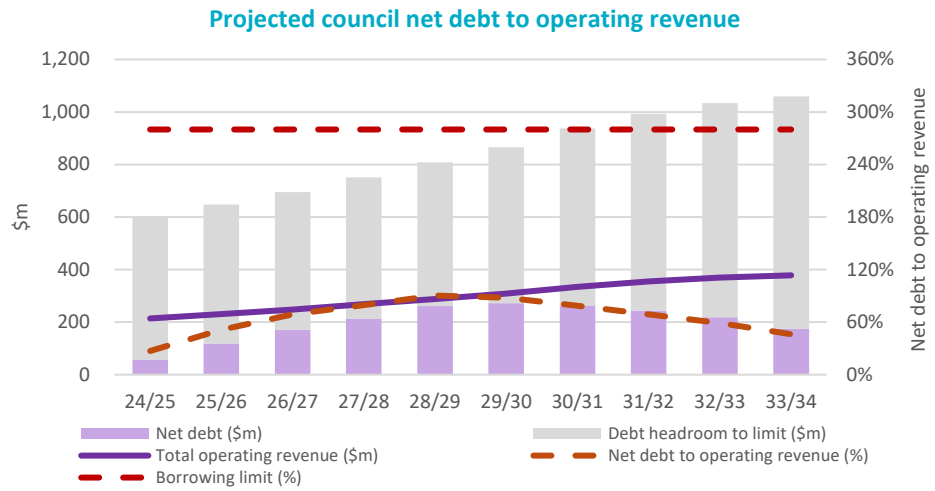
Financially sustainable assessment - financing sufficiency

Assessment of financing sufficiency

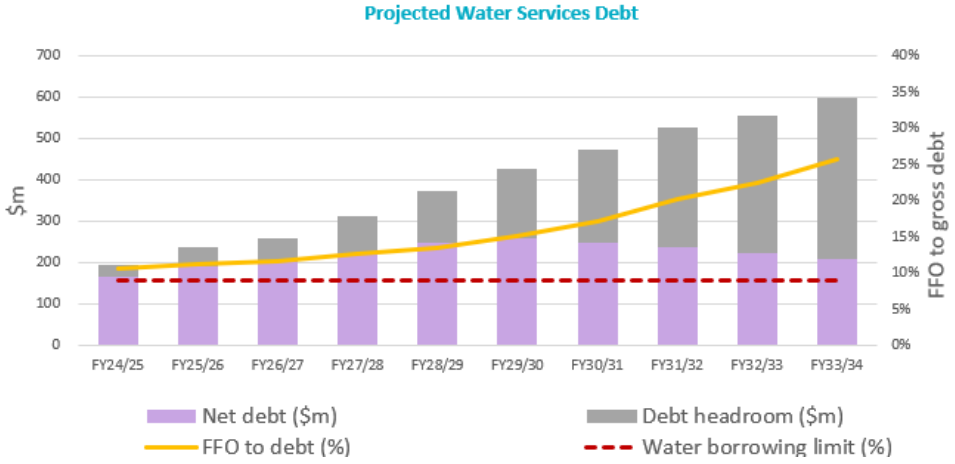
Confirmation that sufficient funding and financing can be secured to deliver water services

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 council borrowings against borrowing limits



Projected water services borrowings against borrowing limits



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 2WS CCO will require a Debt Guarantee from Shareholder Council.

NPDC 2WS CCO 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 2WS CCO 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 2WS CCO 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 statement of cashflows

Projected statement of cashflows - water services ($K)	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	33,660	26,860	29,622	32,162	38,002	43,260	47,722	52,161	54,822	58,815
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	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	(47,060)	(52,400)	(41,500)	(50,810)	(65,210)	(51,349)	(39,740)	(39,661)	(41,762)	(44,795)
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from investing activities	(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	11,260	21,390	6,018	19,988	32,408	17,108	5,608	480	740	3,180
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
Net cashflows from financing activities	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	(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	(20,151)	(22,291)	(26,441)	(32,301)	(30,961)	(25,761)	(16,741)	(3,151)	9,829	23,629
Cash and cash equivalents at end of year	(22,291)	(26,441)	(32,301)	(30,961)	(25,761)	(16,741)	(3,151)	9,829	23,629	40,829

Projected statement of financial position

Projected statement of financial position ($K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	(22,291)	(26,441)	(32,301)	(30,961)	(25,761)	(16,741)	(3,151)	9,829	23,629	40,829
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
Total assets	720,429	762,808	794,980	843,178	906,959	960,805	1,007,206	1,050,834	1,096,955	1,149,723
Liabilities										
Borrowings – current portion	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	142,464	163,854	169,872	189,861	222,269	239,377	244,986	245,466	246,206	249,386
Total liabilities	142,464	163,854	169,872	189,861	222,269	239,377	244,986	245,466	246,206	249,386
Net assets	577,965	598,954	625,108	653,317	684,690	721,427	762,220	805,368	850,750	900,338
Equity										
Revaluation reserves	753,593	769,933	788,875	807,902	827,133	846,720	866,271	886,478	906,258	926,651
Other reserves	(175,628)	(170,978)	(163,767)	(154,585)	(142,443)	(125,293)	(104,051)	(81,110)	(55,508)	(26,313)
Total equity	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 Unserviced 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	2,258.4	3,713.7	3,780.4
Universal Water Metering (WMP)	4,477.0	1,815.9	-	-	-	-	-	-	-	-
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	-	-	1,078.0	-	-	-	-	-	-	-
Smart Rd Reservoir and Water Supply Trunk Main	-	-	-	-	-	-	-	-	-	842.8
Carrington Zone Water Supply Improvements (Growth)	280.8	2,473.8	2,533.3	-	-	-	-	-	-	-
Ōākura water supply new trunk main (Growth)	-	-	582.1	2,977.6	3,043.2	-	-	-	-	-

Puketapu Development Area - water supply upgrades	154.5	-	500.5	1,795.4	-	-	-	-	-	-
Total investment to meet additional demand ($K)	5,756.7	4,452.7	5,204.7	5,274.0	3,243.7	459.8	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	166.70	170.03	173.26	176.55	179.72
NP WTP Intake Fish Screen	686.6	890.8	-	-	-	-	-	-	-	-
NPWTP Major Upgrades	103.0	526.4	1,131.9	2,205.6	5,551.0	7,610.68	7,364.24	5,711.64	-	-
Universal Water Metering (WMP)	2,011.4	815.8	-	-	-	-	-	-	-	-
Supplementary Water Source	-	-	2,157.1	2,206.7	-	-	-	-	635.59	2,588.02
Water Customer Equipment Renewals	33.5	34.2	35.0	35.8	36.6	37.36	38.11	38.83	39.57	40.28
Installation of Backflow Preventors	267.8	273.7	280.3	286.7	-	-	-	-	-	-
Inglewood Contingency Intake Fish Exclusion	-	-	-	165.4	1,127.1	-	-	-	-	-
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	10.63	-	-	-	-
PC2 Microbiology Laboratory	-	-	194.0	-	-	-	-	-	-	-
NPWTP River intake fish screen and upgrade	274.0	1,820.1	-	-	-	-	-	-	-	-
Barrett Road Trunk Main Completion	-	-	-	-	-	-	-	217.47	1,099.50	-
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 ($K)	3,761.1	5,461.0	4,924.8	5,115.3	7,443.1	7,825.4	7,572.4	6,141.2	1,951.2	2,808.0
Projects to replace existing assets										
Mountain Road Reservoirs new Easement re-route	-	-	-	55.1	-	-	-	-	-	-
Resource Consent Renewals Water	103.0	147.4	97.0	27.6	-	80.48	58.63	298.73	608.81	309.87
Water Electrical Renewals I&E	309.0	315.8	323.4	330.8	338.1	344.89	351.80	358.47	365.28	371.84
Emergency Water P&E Renewals	123.6	126.4	129.4	132.4	135.3	138.01	140.77	143.44	146.17	148.79
Emergency Water Reticulation Renewals	51.5	105.3	323.4	330.8	338.1	344.89	351.80	358.47	365.28	371.84
Water Building Renewals	11.7	25.3	29.1	83.8	28.2	34.49	82.09	85.44	36.53	275.78
Water Customer Equipment Renewals	636.0	650.0	665.7	681.0	696.0	709.91	724.11	737.85	751.87	765.37
Water Reticulation Renewals Budget	3,512.7	5,689.8	7,675.4	6,003.5	4,833.4	4,935.32	5,039.20	8,973.73	9,144.25	9,308.43
Water P&E Renewals WTP - Programmed (Medium)	827.1	1,779.1	1,368.0	779.9	169.1	172.45	175.90	179.24	182.64	185.92
Ōākura - Wairau trunk main renewal	1,317.6	-	-	-	-	-	-	-	-	-
NPWTP Sludge Cone Gravelectic Weigh Cell Replacement	-	-	-	-	112.7	229.93	-	-	-	-
NPWTP River intake fish screen and upgrade	14.4	95.8	-	-	-	-	-	-	-	-
Barrett Road Trunk Main Completion	-	-	-	-	-	-	-	31.07	157.07	-
Total investment to replace existing assets ($K)	6,906.7	8,934.8	10,611.3	8,425.0	6,650.9	6,990.4	6,924.3	11,166.4	11,757.9	11,737.9
Total investment in drinking water assets	16,424.5	18,848.6	20,740.9	18,814.4	17,337.7	15,275.5	15,135.5	19,812.2	18,019.5	19,746.7

Significant capital projects – wastewater

Significant capital projects – wastewater ($K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Waimea Valley Sewer Extension	-	-	431.2	2,205.6	2,254.2	-	-	-	-	-
Sewer Services For Subdivisions In Unserviced Areas	108.2	110.5	113.2	115.8	118.3	120.7	123.1	125.5	127.8	130.1
Upgrading of Huatoki Valley Sewer Main	-	-	111.5	1,140.3	-	-	-	-	-	-
Wastewater Model Build and Update	20.6	21.1	21.6	22.1	1,082.0	1,103.7	23.5	23.9	24.4	1,983.2
Eastern Sewer Network Realignment	-	-	-	-	563.6	574.8	2,345.3	2,389.8	2,435.2	2,478.9
Junction Growth Area Sewer Upgrade Thames	-	-	-	-	-	-	516.0	-	-	-
TDF Crown Infrastructure funded Thermal	2,163.0	1,621.2	-	-	-	-	-	-	-	-
Sutherland Patterson Sewer Main	2,231.0	-	-	-	-	-	-	-	-	-
NPWWTP Master Plan and Buffer Storage - PROGRAMME	-	-	-	-	5,635.5	5,748.2	-	-	-	-
Parklands Ave Extension Puketapu Sewer Main	103.0	526.4	-	1,654.2	497.6	-	-	-	-	-
Smart Road Growth Sewer	-	-	-	-	-	-	-	2,389.8	2,435.2	2,478.9
Junction Street Growth Area Sewer PS	-	-	-	-	-	-	1,031.9	-	-	-
Junction Street Growth Area downstream sewer capacity upgrad	-	-	-	-	-	50.6	516.0	-	-	-
Inglewood Wastewater Overflows - PROGRAMME	103.0	315.8	646.8	661.7	450.8	138.0	70.4	71.7	73.1	86.8
Equipment for new WWTP Laboratory Building	-	-	-	-	225.4	-	-	-	-	-
Waitara Wastewater Overflows PROGRAMME	20.6	42.1	215.6	220.6	225.4	229.9	234.5	239.0	243.5	247.9
Total investment to meet additional demand ($K)	4,749.3	2,637.0	1,539.8	6,020.2	11,052.9	7,965.9	4,860.6	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)	17,224.1	18,851.2	5,631.6	12,994.8	16,605.0	8,396.5	5,573.0	2,793.1	5,646.7	5,270.9
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)	8,657.7	12,072.9	13,595.2	12,976.1	20,215.1	19,721.1	14,170.3	11,812.2	12,745.9	12,371.8
Total investment in wastewater assets	30,631.1	33,561.1	20,766.6	31,991.1	47,873.0	36,083.5	24,604.0	19,845.0	23,731.8	25,048.5

Risks and assumptions

Disclosure of risks and material assumptions for water services delivery		
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