Water Services Delivery Plan

Wairarapa Tararua Water Services Organisation

Tararua District Council

Draft for TDC adoption - August 2025

TARARUA DISTRICT COUNCIL

MASTERTON WHAKAORIORI DISTRICT COUNCIL

SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

Te Kaunihera-ā-Rohe o Taratahi
CARTERTON DISTRICT COUNCIL

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

A1: Statement of financial sustainability

South Wairarapa, Tararua, Masterton and Carterton District Councils (Partner Councils), together with Rangitāne and Ngāti Kahungunu, have undertaken to establish a Water Services Council Controlled Organisation (WSO) on or before 1 July 2027. This includes all necessary transitional arrangements, governance documentation, service level and operational agreements, and operationalising a planning and accountability framework that meets legislative and regulatory requirements

Tararua District Council (TDC) confirms that this Water Services Delivery Plan (WSDP) ensures the financially sustainable delivery of water services by 30 June 2028. This confirmation is based on financial modelling and assessments included in Part D, E and F of this Plan. This WSDP demonstrates that by FY28:

Wairarapa Tararua WSO

- Water services revenue will meet operational, capital and compliance costs. Per connection revenue requirements in the WSO financial statements are average requirements across the four Councils; Councils have decided to ring-fence prices for the period of the WSDP so per connection revenue requirements and charges vary between Councils.
- Sufficient investment will be delivered to meet levels of service requirements, regulatory requirements, and increased levels of demand. There is sufficient borrowing capacity to deliver on the combined capital programme (under Councils' current phasing).
- The WSO will meet a 10% FFO to debt target by FY32. It will meet the 9% LGFA covenant floor by FY31. The WSO meets the ICR requirement from year one of operation and maintains this throughout the WSDP period.

Tararua District Council within the WSO

- TDC (and the WSO) (from FY28) is projected to generate sufficient revenue to meet the full cost of water services delivery, including operating expenditure, asset renewals, and debt servicing. This is underpinned by a shift to a WSO with a target capital structure generating sufficient revenues over the forecast period. It is acknowledged that this will require price increases that will challenge affordability.
- Operating surpluses over the 10-year period are forecast at $22.9m. TDC has an operating deficit in year 1 of the WSDP period, with surpluses from year 2 onwards. Operating cashflow surpluses over the period are forecast at $133.2m, underpinned by necessary price increases.
- For the Council, average water charges per connection are forecast to increase from $2,432 in FY25 to $5,045 in FY34 (in nominal (inflated) terms) (or $3,949 in real (uninflated) terms), which represents around 4.9% of median household income in the district. These charges reach challenging levels for the community, and this is an acknowledged affordability challenge, and the WSO will need to consider how the capital programme could be rephased or prioritised to manage affordability. This work will begin as part of the transition.
- The WSDP includes $150m in forecast capital investment over the 10-year period, including renewals to maintain existing levels of service and asset reliability, upgrades to achieve compliance with drinking water standards and to improve network resilience, and growth-related projects to service projected increases in demand. This level of expenditure was determined only after extensive assessment starting from independent hydraulic modelling and network sizing.

- Over the WSDP period, over $150 million of capital investment is forecast, with approximately $56.2 million of this expected to be debt funded, with total debt reaching around $108.7 million in FY34. The Council within the WSO, can manage the borrowing required within LGFA covenants. TDC will meet the targeted 10% FFO to debt ratio by FY30 and the ICR requirement from FY28.

The financial statements and forecast position of the WSO are based on the Partner Councils' existing investment programmes as set out in their respective Long-Term Plans (LTP) and Annual Plans, with current priorities and phasing. The model also makes key assumptions about levels of operational efficiency that the WSO will achieve, financing costs, FFO to debt target, and additional overhead costs incurred by the WSO (refer Appendix 2). In general terms, the modelling takes a conservative approach to the assumptions to demonstrate financial sustainability.

The WSO will have choices about how it manages the capital programme and Councils consider there would be benefit in an early assessment of the phasing and priorities of works to manage costs for customers, achieve efficiencies through bundling of work, or to better reflect a regional view of necessary investment. South Wairarapa and Tararua have particular affordability challenges given their starting debt positions and large capital programmes, and this plan proposes a reassessment of the programme through the transition, with a particular emphasis on non-compliance related or essential renewal work, to effectively manage delivery and costs for the community.

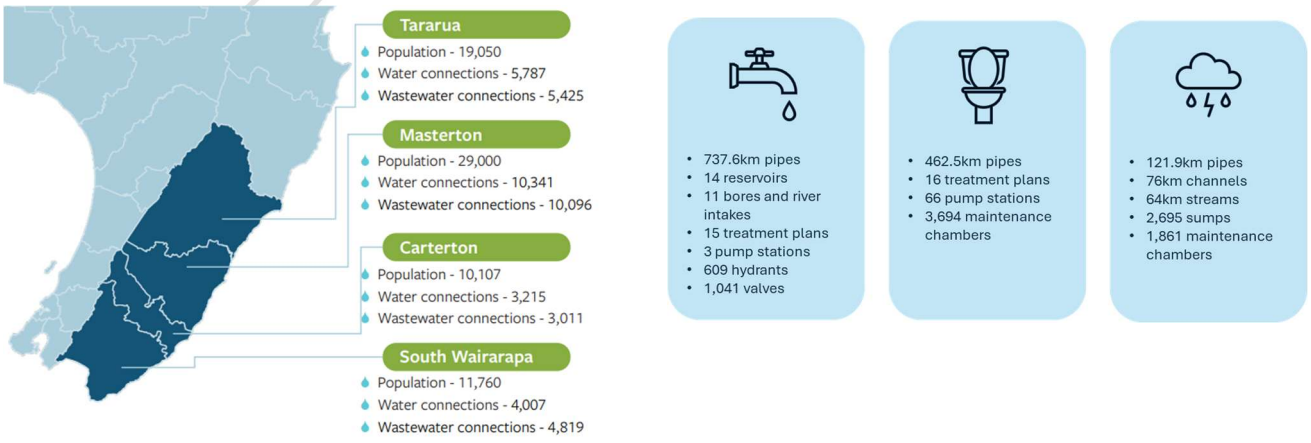
A2: Proposed delivery model

South Wairarapa, Tararua, Masterton and Carterton District Councils, together with Rangitāne and Ngāti Kahungunu, are proposing to establish a WSO under the Local Government (Water Services) Bill to deliver water services to their districts.

This three-waters entity will have approximately 25,000 connections and be responsible for drinking, waste and stormwater services. Responsibilities for water services will transfer from the Partner Councils to the WSO on or before 1 July 2027. This will include associated revenue, expenditure, assets and liabilities.

Figure 1 below provide a snapshot of the communities in the Wairarapa-Tararua region and the scope of existing water services which would transfer to the WSO. Currently the region's water services are delivered directly under contract by three of the four Councils (Carterton, Masterton, and Tararua District Councils) and via Wellington Water Limited (the current Wellington regional CCO) for South Wairarapa District Council.

Figure 1: Wairarapa Tararua region and water services



Establishment and transition activities have begun, with ways of working and commercial terms agreed and set out in the appended Commitment Agreement (Appendix 1). The Commitment Agreement confirms Councils' commitment to work with iwi and implement this WSDP and establish the WSO once the WSDP is accepted. Work is expected to accelerate following the acceptance of this WSDP by the Secretary for Local Government.

Why a joint Water Services Organisation?

The proposal to establish a regional WSO was taken after careful consideration of other models and engagement with the community and iwi on the benefits of different approaches. The detail of the consultation undertaken is summarised later in this section.

The Partner Councils have similar sized communities, geography and climate and face similar infrastructure challenges and opportunities. Rangitāne and Ngāti Kahungunu are mana whenua iwi across Wairarapa and Tararua, and both iwi have general and specific rights and interests in fresh-water bodies across our region arising from their respective Treaty Settlements. These circumstances making a grouping of these four Councils and two iwi a logical choice when it came to considering the future of water services delivery.

Through their collective consideration of potential delivery models, the four Councils and two iwi have identified the following benefits of the Wairarapa Tararua model:

1. more affordable and resilient water services for communities,
2. increased access to finance to enable delivery of necessary investment programmes,
3. operational efficiency and cost savings resulting from a single entity planning, contracting and delivering works across the region,
4. regional employment opportunities from a larger, locally based infrastructure provider, and
5. enabling an entity solely focused on water services delivery.

Establishment principles

The following principles or objectives have guided the Councils and iwi in their consideration of the proposed delivery model and will continue to be used to direct the establishment of and transition to the new entity. These principles are included in the appended Commitment Agreement.

- Deliver **long-term benefits to the region** (recognising these benefits take time to accrue)
    - Efficient operational delivery
    - Affordable water services
    - Adequate investment in infrastructure through time
    - Financially resilient and sustainable
    - Working with iwi
- Manage **shorter-term transition impact** on individual shareholding communities and Councils
    - Manage any cost/price changes
    - Ensure transparency in transition pathways
    - Maintain service continuity and reliability for customers and minimise staff disruption
    - Manage Councils' operational and/or financial risk
- Ensure **statutory and regulatory compliance**
    - Operate within statutory planning and accountability framework
    - Meet DIA and Commerce Commission financial sustainability requirements
    - Meet regional Council and Taumata Arowai environmental standards
- Where possible, **provide flexibility in the design** for the new entity and Councils to adapt to changing circumstances over time.
- Recognise the **independence of the new entity** and provide it with the autonomy to make decisions necessary for success

- Keep it simple, with **straightforward arrangements** easy for the community to understand.

Ownership and governance arrangements

The WSO will be structured under the Local Government Act 2002 and the Local Government (Water Services) Act 2025 (WSA25) (once the Local Government (Water Services) Bill is enacted). A summary of the governance and ownership arrangements is provided here and the appended Commitment Agreement. These arrangements will be developed further and are expected to be confirmed in Q4 2025 (refer *Implementation Plan*).

The WSO would be owned by the four Councils according to the following shareholding arrangements based on the connections within each Council district. Table 1 provides an indicative shareholding allocation; this would be updated and confirmed through the transition. The Shareholders' Agreement will contain principles for the entry and exit of shareholders, including in the eventuality of future Council amalgamation or expansion of the WSO, and other situations which may require adjustments to shareholdings. The basis for rebalancing shareholding over time will be determined through the transition.

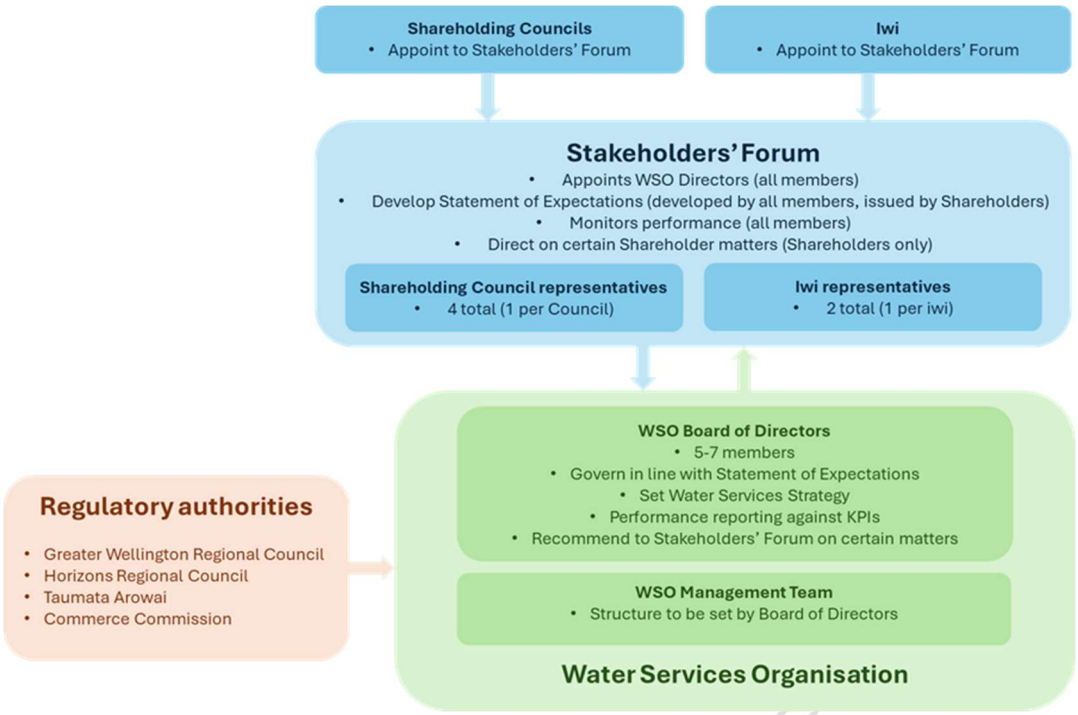
Table 1: Indicative shareholding allocation

Shareholding Council	**Indicative shareholding**	**Estimated day 1 connections**
Masterton District Council	44%	10,911
Tararua District Council	**23%**	**5,716**
South Wairarapa District Council	20%	4,935
Carterton District Council	13%	3,203
Total	**100%**	**24,765**

Figure 2 summarises the governance and oversight arrangements for the WSO. Councils and iwi have chosen to establish a Stakeholders' Forum as the mechanism by which they coordinate ownership rights and responsibilities and to enable effective partnership with iwi, Rangitāne and Ngāti Kahungunu.

The Stakeholders' Forum is expected to have a fixed membership of six members, one from each Shareholding Council and one from each of Rangitāne and Ngāti Kahungunu. Members are appointed to the Forum by an appointment process determined by the appointing party. TDC anticipates appointment by Council resolution.

Figure 2: WSO governance and oversight arrangements



The Board of the WSO, once operational, would have flexible membership of five to seven members; this flexibility reflects the need to balance meeting skills requirements and ensuring diversity of views for quality decision making, with managing costs of governance, ensuring effective and efficient decision making, and providing the ability to adjust overtime according to the priorities or lifecycle of the Company.

Appointment of Board members is expected to be staggered through the two stages of the programme. During the establishment period, at least two directors are expected to be appointed by March 2026 with remaining Directors appointed ahead of operational transition. It is anticipated that appointment terms of the initial Board members will be varied to ensure future staggered turnover and to enable initial Directors to be appointed who have expertise in standing up/establishing new organisations.

Councils and iwi have determined the following skills are required on the Board and these will be reflected in the Constitution. This reflects the skills that are required on the Board as a whole, not requirements for all individuals to meet.

- Governance and senior leadership experience
- Experience in utilities and infrastructure industries, preferably water
- Commercial and financial expertise, including Director(s) with relevant qualifications to chair the Audit and Risk Committee
- Understanding of the relevant public accountability, legislative and regulatory context
- Asset management experience
- Commitment to partnership and upholding the Treaty of Waitangi, tikanga and te ao Māori
- Knowledge and experience in te ao Māori and te taiao Māori and Treaty of Waitangi principles and implementation, including the Treaty Settlements of Rangitāne and Ngāti Kahungunu
- Understanding and commitment to the four communities the organisation serves
- Commitment to strong stakeholder management with the four Shareholding Councils.

Service delivery, pricing and charging

The WSO will provide all drinking water, wastewater and storm water services within the four Councils' jurisdictions, where these are currently provided by Councils. Currently services are delivered directly by Tararua, Carterton and Masterton District Councils and via Wellington Water Limited (existing multi-Council owned CCO) for South Wairarapa District Council.

All related water assets will be transferred to the WSO with limited exceptions, based on their primary purpose. Water race assets will continue to be owned by Councils. Any other details on transfer arrangements for specific assets will be developed through the preparation of the Transfer Agreement.

Part C of this plan sets out the Council's current pricing structures for water services. Prior to the transfer of water services to the WSO, the Council will continue to collect water revenues according to its own pricing structures. These arrangements would be retained by the WSO at establishment and the WSO will then determine the future tariff structure, as required under the Local Government (Water Services) Bill.

Through transition planning it will be determined whether the Council will continue to collect water charges on behalf of the WSO for a period, or whether the WSO will charge customers directly from day one. However, the WSO will be responsible for determining the amount of revenue to collect and advising on the tariffs to be applied, consistent with the current tariff structure. It is intended that the WSO will directly charge and invoice customers in the future with the timing of billing transition to be determined through establishment and transition planning.

Pricing principles

Pricing was a key concern raised by communities through consultation processes. To respond to community feedback, Councils have determined a set of pricing principles to be incorporated into the Constitution to ensure the WSO is considering issues of importance to Councils and communities in making its pricing decisions. These principles include:

- Ensure transparency between pricing and investment requirements
- Undertake appropriate engagement with communities in setting or changing pricing
- Manage/smooth the transition impact of any changes to pricing
- Balance affordability for customers with investment and financial sustainability requirements
- Consider the distributional impacts of pricing decisions, and
- Adopt a cost-to-serve approach, with a future review point.

Councils have agreed that the WSO will operate a cost-to-serve model for nine years, after which time the matter will be reviewed by the Board and Shareholding Councils. Concern about subsidising across Council jurisdictional boundaries was a particular issue raised in consultation by Masterton and Carterton communities.

The decision to move away from a cost-to-serve approach and adopt harmonised pricing is retained by the Shareholding Councils, with advice to be received from the WSO Board, and would be subject to any legislative or regulatory direction. A review of pricing will be undertaken after nine years and will consider several factors, including:

- That there is sufficient reliable information available about future investment requirements to provide reliable and transparent estimates of costs to ratepayers
- The impact of any proposed changes on each shareholder's customers (including distributional impacts within and between Council districts)
- Other benefits and costs of the new proposed approach relative to current approach (e.g., impact on operating costs/efficiencies for the entity)
- Whether other compensatory measures could be put in place to manage any significant impact (if any) on subsets of customers.

While prices are non-harmonised, the board of the WSO will be responsible for determining the revenue to be collected from each Council district, including advising the Council of the level of charges to be set for each scheme and category of customer, consistent with Councils' existing tariff structures. Councils will supply information from their rating databases to the WSO for this purpose, as provided for within the Local Government (Water Services) Bill.

TDC notes that there are affordability challenges associated with water services in its district. Through the development of the first Water Services Strategy, the Council expects the WSO to review the investment programme and identify early opportunities for efficiencies and savings.

Meeting ring-fencing requirements

As part of the establishment of the WSO, water services revenues and expenses will be separated from other Council financials. Separate financial management systems will be established for the WSO, and, if adopted, any shared services arrangements between the WSO and Shareholding Councils will be at arm's length and on commercial terms. The WSO will be responsible for preparing the Water Services Strategy, Annual Budgets and Annual Reports.

Financing arrangements

The WSO will borrow from the LGFA and be managed within the LGFA's specified financial covenants. Parts D and E of this WSDP demonstrate that TDC within the WSO can operate within financial sustainability requirements. Part F of this WSDP demonstrates that the WSO can operate within financial sustainability requirements.

Financial modelling prepared for this WSDP targets a more conservative 10% FFO-to-debt target, compared to the LGFA's 9% covenant requirement. Achievement of the 10% target has been phased in over a four-year period post WSO establishment, by adjusting revenue requirements to manage affordability for the South Wairarapa community. Masterton, Carterton and Tararua Councils can meet the 10% target by FY30; South Wairarapa can meet the target by FY32. This results in the WSO achieving 9% by FY31 and 10% by FY32. This phasing has been tested with the LGFA who have confirmed they would support this approach as part of their commitment to assist WSOs meet their covenants over a transition period.

It is anticipated that the Council will transfer water-related debt to the WSO over a transition period as tranches of debt mature and hedging is unwound. Interest costs incurred by the Council on retained water-related debt over this period will be met by the WSO. Establishment costs will be borrowed by Councils and transferred to the WSO. Final transfer arrangements will be included in any future Transfer Agreement.

While the WSO operates a cost-to-serve model, Councils anticipate guaranteeing the WSO debt based on the value of debt outstanding for each jurisdiction. If, or when, the Board advises shareholders on an alternative approach to pricing, the Board will also be required to advise shareholders on an appropriate ongoing approach to the guarantee of debt (e.g., based on shareholding).

The Councils have agreed that the WSO will not pay dividends to shareholding Councils for at least nine to 12 years; and that any surpluses would be used to either reduce prices for customers across the region and/or to accelerate priority investment across the region. The governing arrangements will leave the possibility of future dividend payments open.

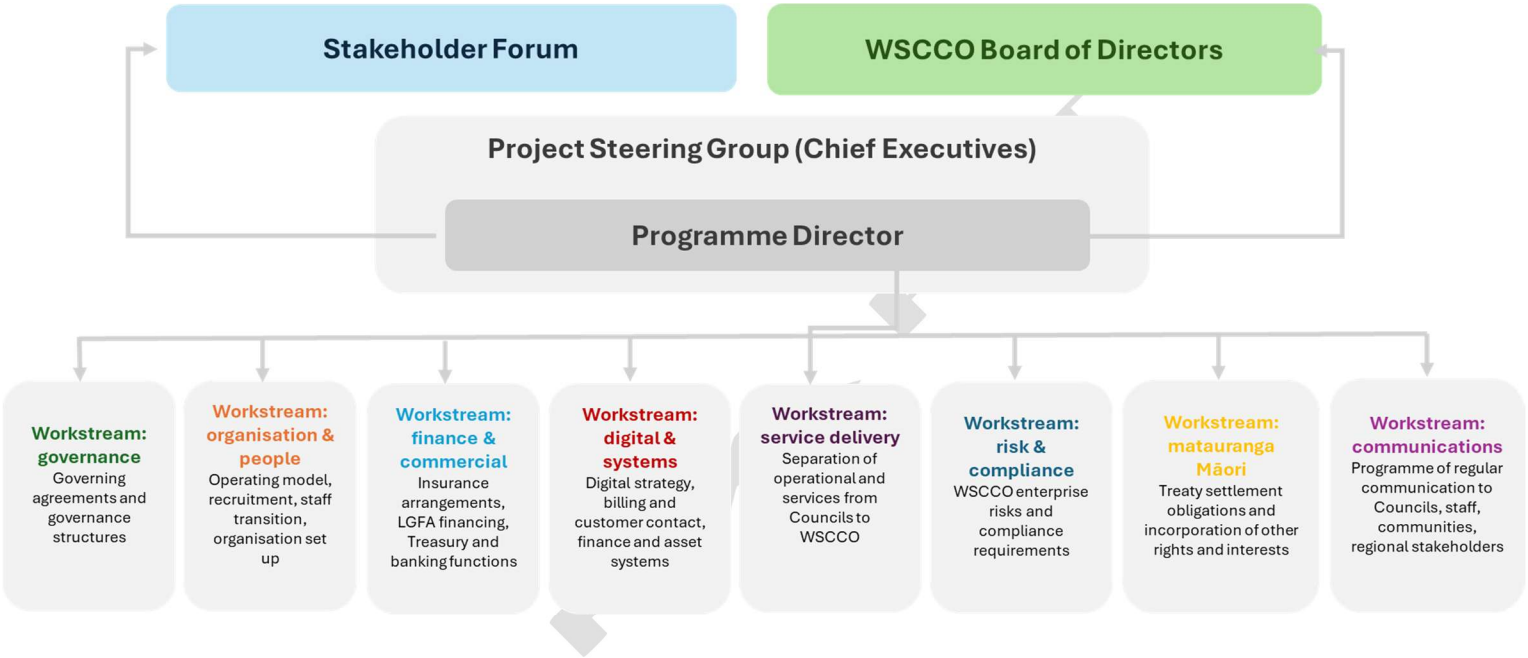
A3: Implementation plan

Councils have agreed that the WSO will be legally established on or before 1 July 2026 and operational on or before 1 July 2027. The accompanying Commitment Agreement sets out the governance and management arrangements for the Programme to ensure the entity is established and operational within these timeframes.

The transition will be governed by a Project Steering Group (PSG) and the project led by a Programme Director, reporting to the PSG, supported by a Project Team of Council staff, iwi representatives and external legal and advisory support. Workstream leads will be assigned for each Programme workstream (refer Figure 3).

Following the local body elections, the Stakeholders' Forum would be established, and this group would work alongside the PSG to provide oversight to the transition going forward. When the WSO initial Directors are appointed, the transition will be jointly overseen by the Stakeholders' Forum and the WSO Board, with programme reporting provided to both governance bodies.

Figure 3: Programme governance and management



Programme workstreams

The key workstreams for the programme are expected to include:

- **Governing documentation and establishment** – this workstream includes the preparation and negotiation of all relevant governing agreements (Constitution, Shareholders' Agreement, Stakeholders' Forum Terms of Reference, Statement of Expectations, and Transfer Agreements), the establishment of new governance structures (Stakeholders' Forum and WSO Board), and approach to Treaty Settlement obligations.
- **Organisation and people** – this workstream includes development of the organisation's operating model and management structure, recruitment of Chief Executive and Tier 2 leadership roles, transition of Council staff and contractors (other than long-term physical works contracts) to the WSO, the development of organisational policies, new regulatory reporting requirements, and establishment of the physical office.
- **Finance and commercial** – this workstream includes the determination of new insurance arrangements for the entity, confirmation of financing arrangements with LGFA and Council parent guarantee, debt transfer arrangements, financing strategies and establishment of treasury and banking functions

- **Digital, systems and customer** – this workstream covers the digital strategy, development of billing arrangements, customer contact, finance, compliance and asset management systems for the WSO and the transition from existing Council systems to new arrangements, including any transitional or shared services arrangements that may apply for a time limited period.
- **Operations and service delivery** – this workstream covers the scoping, planning and delivery of the separation of the operational and service requirements from Councils and their transfer to the new entity (except staff transition which is managed separately). It will also include integration with Council planning requirements, including district plans, growth and development strategies, and LTPs, and any corresponding changes required in Council policies.
- **Mātauranga Māori** – this workstream includes the review of Treaty Settlement obligations, Iwi Environmental Management Plans and other iwi rights and interests and incorporation of these, as relevant, across the other workstreams. It also includes details of how the WSO will report to iwi and how treaty obligations will be considered within the asset management plans.
- **Risk and compliance** – this workstream determines the WSO's enterprise risks and controls and establishes the compliance requirements, including DWSQAR, RMA and health and safety**.**
- **Communications** – a communications plan will be developed to support the programme, which will include regular reporting for the four Councils and iwi governing bodies and executive leadership teams, Council staff and contractors, ratepayers and communities, and key regional stakeholders.

Once Directors are appointed, the Programme Director will work with Councils and the WSO Board to confirm any Council operational decisions relating to water services (e.g., changes in the capital programme) that will be taken in the transition period that require the agreement of the WSO Board, and these decisions will be included as part the transition programme.

Transition milestones

The programme will be delivered in two stages in line with Council commitments on establishment dates:

- Stage 1 (legal establishment) will run from the adoption of the WSDP by the four Councils in August and be complete at the legal incorporation of the WSO and the appointment of initial/establishment Directors. This will be achieved by the end of 2025/26 at the latest; the intention is to deliver earlier.
- Stage 2 (transition) will run from legal establishment through to the end of 2026/27 at the latest; the programme will be developed to achieve milestones at the earliest opportunity.

Wherever possible, the transition will be expedited to mitigate the impact of two significant change process for South Wairarapa District Council, given the Council's pending exit from Wellington Water Limited, and the operational transition of Wellington Water to Metro Water (new Wellington WSO). Metro Water is currently intended to be operational ahead of the Wairarapa Tararua WSO creating a need for an interim solution for South Wairarapa for the 2026/27 year. SWDC is currently working with Wellington Water, its shareholders, and other Wairarapa Tararua Councils on options for interim arrangements. The pace of the programme will be determined by risk.

Figure 4 shows high level timing for the programme and Table 2 sets out the priorities and milestones for establishment and transition stages. These represent an overall view of the required work and milestones; further work on detailed roles and responsibilities will be developed in the transition planning. Any changes to these milestones will be agreed by the PSG prior to agreement/confirmation by the WSO Board and/or Stakeholders' Forum, as appropriate.

Figure 4: Programme timing

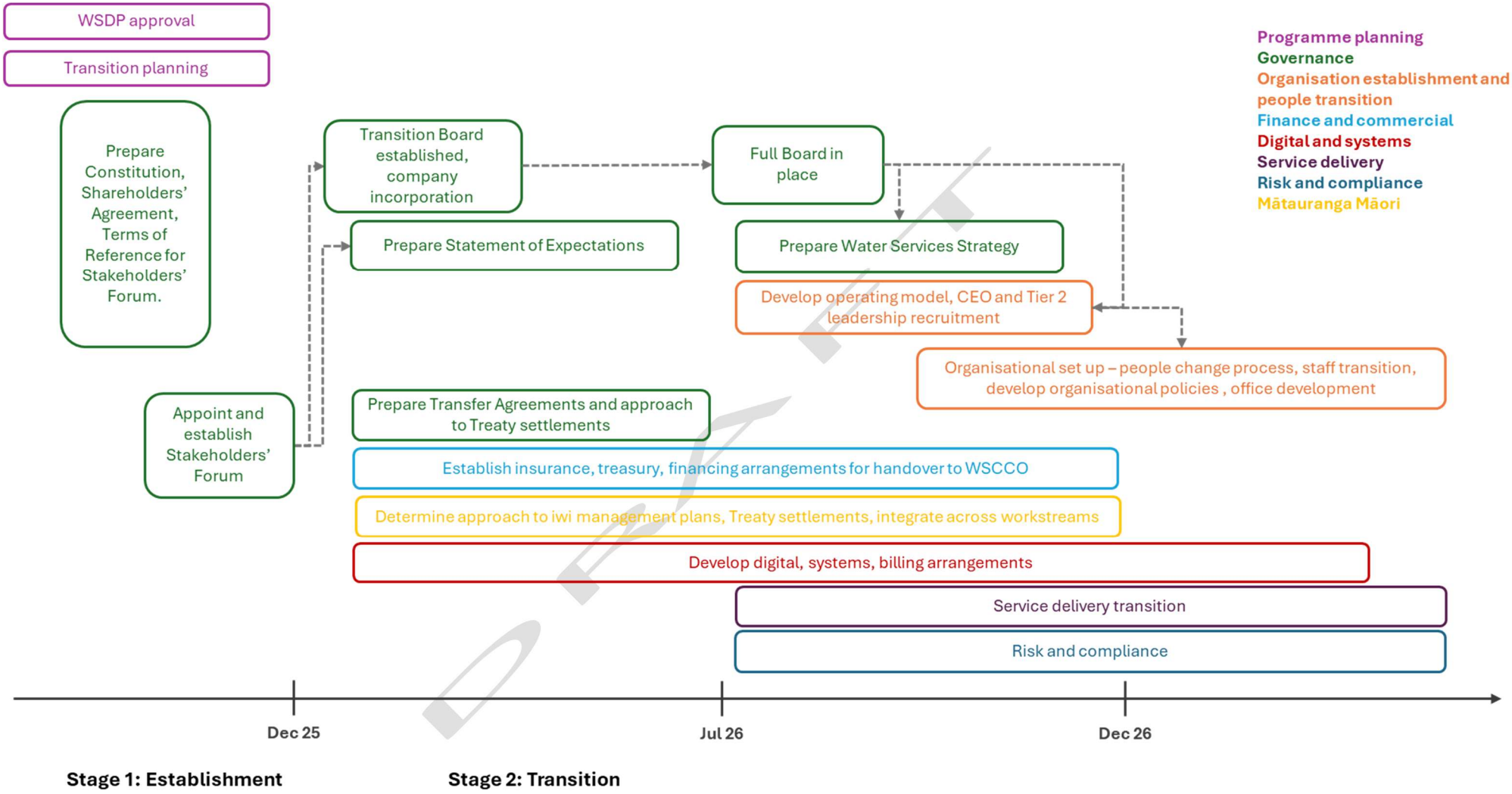


Table 2: Programme priorities and milestones

Programme stage	Priorities and milestones	Indicative timeframe
Legal establishment	• Achieve acceptance of WSDP by Secretary for Internal Affairs and publish WSDP	December 2025
	• Plan and prepare for operational transition according to priority workstreams above (with transition expected to begin following appointment of Directors). This will include initiation of key work in financial and commercial and systems workstreams to prepare for handover for completion to WSO Board.	December 2025
	• Appoint members to Stakeholders' Forum following election and induction of new Councils	November/December 2025
	• Complete and approve Shareholders' Agreement, Constitution, Stakeholders' Forum Terms of Reference	September 2025
	• Complete recruitment for two (minimum) initial Directors	March 2026
	• Complete legal incorporation and required registrations – including Companies Office, Deed of Indemnity for Directors	March 2026
Operational transition	• Prepare Statement of Expectations for discussion with WSO Board	June 2026
	• Transition SWDC operations from Wellington Water Limited to new transitional arrangements (to be confirmed)	June 2026
	• Complete governing documentation (i.e., Transfer Agreements) and negotiate agreement with WSO Board. Complete adoption of Transfer Agreement by each of the four Councils.	September 2026
	• Undertake staff change process to confirm roles and staff that will transition to the new entity. Timing for movement/transfer of staff to be confirmed ahead of operational transition.	December 2026
	• Development of future systems requirements, including temporary billing arrangements to be administered by Councils (if this is the confirmed approach)	December 2026
	• Develop entity insurance, treasury and financing arrangements, with WSO Board to confirm and finalise	December 2026
	• WSO Board to develop WSO operating model and undertake, Chief Executive and Tier 2 role recruitment	December 2026
	• WSO Board to prepare Water Services Strategy to give effect to Statement of Expectations	December 2026

	• WSO Board to set up the new organisation, including office location, corporate policies, bank accounts, brand, website etc.	June 2027
	• Transfer assets, contracts, responsibilities, remaining staff following Council and Board confirmation of readiness for go live.	June 2027

A4: Consultation and engagement

The Wairarapa Tararua Councils have explored the options for future water services delivery over two key phases, both in partnership with iwi, Rangitāne and Ngāti Kahungunu, and in consultation with communities. An Advisory Oversight Group comprising elected member representatives from each Council and iwi representatives oversaw this process.

In 2024 (phase 1) Wairarapa Tararua Councils initiated work on a potential Wairarapa Tararua delivery option to enable the three Wairarapa Councils to consider it against the Wellington region 10 Council option they were also exploring, and Tararua District Council to consider it against a Manawatu Whanganui Councils option. Through this project Council staff and iwi representatives jointly undertook a Multi Criteria Analysis to determine the outcomes they were seeking from a new delivery model. Councils then assessed the Wellington region and Manawatu/Whanganui region options against the Wairarapa Tararua option, and standalone/status quo options for each Council. The conclusion of this work was that the Wairarapa Tararua Councils decided to consult with their communities on a Wairarapa Tararua arrangement alongside the status quo option for each Council. Information on that process is available here Local Water Done Well - SWDC.

In 2025 (phase 2), the four Councils carried out community consultation on two options – the Wairarapa Tararua Water Services Organisation and the status quo delivery model (or form of status quo delivery). This consultation occurred over the following dates and consultation documents are available in Table 3.

- MDC – 21 March to 22 April 2025
- TDC – 14 March to 22 April 2025
- CDC – 14 March to 22 April 2025
- SWDC – 7 March to 6 April 2025

Table 3: Council consultation documents and findings

Masterton	LWDW Consultation Document Agenda of Ordinary Council Meeting - Wednesday, 21 May 2025
South Wairarapa	162dd310c98c6daf6013e02d621fc603_LWDW Consultation_final_digital.pdf https://sthwaidc-my.sharepoint.com/:b:/g/personal/comsec3_swdc_govt_nz/ERshbc5N7k5KnrUgcOA5SeYB4zUC5w7o-_kIWYv_LLV15Q?e=I3uZE3
Carterton	Carterton District Council – Local Water Done Well Consultation (14 March 2025) https://carterton.infocouncil.biz/Open/2025/05/CO_20250514_MIN_3416.PDF
Tararua	LWDW-Consultation-One-Pager-14-March-2025.pdf Agenda of Extraordinary Council meeting - Wednesday, 11 June 2025

Community feedback from all four Councils' consultations show support for a regional water services organisation – 88% SWDC submitters, **65% Tararua submitters**, 70% Carterton submitters and 60% Masterton submitters supported the Wairarapa Tararua regional model.

Key themes from the community feedback included the importance of local delivery and accountability, pricing structures and affordability for communities, reliable and quality water services, trust in the new delivery model, and recognising past investment in services and infrastructure in the region's communities. This feedback has informed the Councils' development of the WSDP and the operating model for the new organisation.

A5: Assurance and adoption of this Water Services Delivery Plan

On 8 May (SWDC), 6 June (TDC), 9 July (MDC) and 9 July (CDC), Partner Councils agreed to progress a joint WSO. This SWDC WSDP has been prepared on this basis.

The development of this WSDP has been overseen by the Wairarapa Tararua Councils' Chief Executives and prepared according to each Council's internal assurance processes. The starting point for the plans is the latest 2024/34 LTP for Tararua District Council, with appropriate adjustments to reflect a move to a WSO. The operating model and implementation plan within Part A is common to all four Councils' plans and sets out how the four Councils and iwi will work together to establish the WSO.

Parts B to E of the WSDP, represent the financial position of water services for the Council, on the assumption that it is part of a WSO. A consolidated set of financial statements for the Wairarapa Tararua WSO can be found in Part F. Individual Council and combined WSO financial information throughout this plan have been prepared using a common financial model and agreed set of assumptions.

The following external reviews and assurance have been undertaken:

- Financial modelling and assessment of financial sustainability has been undertaken by independent advisors
- Modelling assumptions were developed in consultation with independent advisors, reviewed by Council CFOs and Infrastructure General Managers, and signed off Chief Executives. These assumptions are included as Appendix 2 of this plan.
- A generally conservative approach has been taken to setting assumptions and targets (e.g., in relation to the target capital structure, the costs of finance and assumed efficiencies) to demonstrate the viability of the WSO and scope for the WSO to make choices once the entity is operational
- Additional modelling scenarios have been tested internally for key issues to provide Council, community and regulatory confidence in the entity (e.g., price paths for South Wairarapa, and testing the impact of Masterton priority investments occurring beyond the WSDP period)
- Preliminary conversations have been had with LGFA on the need for targeted transition support to achieve LFGA covenants and enable a smoother price path for South Wairarapa District Council.

Council resolutions to adopt the WSDP

Council resolutions to adopt this WSDP were achieved on the dates set out in the Table 4.

Table 4: Council WSDP adoption resolutions

Council	Date	Resolution
Masterton District Council	20 August 2025	
South Wairarapa District Council	20 August 2025	
Carterton District Council	20 August 2025	
Tararua District Council	20 August 2025	

Tararua District Council Chief Executive Certification

I certify that:

- This Water Services Delivery Plan complies with the Local Government (Water Services Preliminary Arrangements) Act 2024; and
- The information contained in this plan is true and accurate.

_____

Peter Wimsett
Chief Executive

Date:

Tararua District Council

Part B: Network performance

B1: Investment to meet levels of service, regulatory standards and growth needs

Serviced population

TDC Table 1: Serviced population

Projected serviced population	FY2024/25*	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population (Estimated @2.4 people / household Statistics NZ)	**12,955**	**13,061**	**13,164**	**13,270**	**13,375**	**13,483**	**13,591**	**13,699**	**13,810**	**13,920**
Water Supply Connections										
Total WS residential connections	5,516	5,560	5,604	5,649	5,694	5,740	5,785	5,832	5,878	5,925
Total WS non-residential connections	230	232	234	236	238	240	242	244	246	248
Total WS Connections (SUIPs)	**5,746**	5,792	5,838	5,885	5,932	5,980	6,027	6,076	6,124	6,173
Wastewater Connections										
Total WW residential connections	5,099	5,139	5,180	5,221	5,262	5,304	5,346	5,389	5,431	5,475
Total WW non-residential connections	317	320	323	326	329	332	335	338	341	344
Total WW Connections	5,416	5,459	5,503	5,547	5,591	5,636	5,681	5,727	5,772	5,819
Stormwater Connections										
Total residential properties serviced by SW	4,832	4,870	4,909	4,948	4,987	5,027	5,066	5,107	5,147	5,188
Total non-residential properties serviced by SW	201	203	205	207	209	211	213	215	217	219
Total SW connections	5,033	5,073	5,114	5,155	5,196	5,238	5,279	5,322	5,364	5,407
Water Services Average	**5,398**	**5,442**	**5,485**	**5,529**	**5,573**	**5,618**	**5,663**	**5,708**	**5,754**	**5,800**

The Tararua district is located within the Manawatu-Whanganui region, situated on the southeast coast of the North Island, bound to the west by the Ruahine and Tararua Ranges. It covers an area of 4,360km² and has an estimated population of 19,050, with 8,117 residential properties (urban and rural) with drinking water connections of 5,815 on 1 July 2025, (slightly ahead of LTP forecast of 5,792 and for modelling purposes above, **5,746**). These comprise of 5,175 ordinary residential connections and 640 metered extraordinary connections including rural, industrial commercial, farming and lifestyle. At a district household average, this serves close to 13,000 people. The four main towns of Dannevirke, Woodville, Pahiatua, and Eketahuna are service centres for the agricultural sector. In addition, they service other categories of economic activity, e.g. industry and domestic tourism.

Statistics New Zealand's June 2024 population estimate is 19,050, slightly below the Council's 2024-34 LTP assumptions, and the population is forecast to reach 20,981 by 2034 (+10%). Urban growth has been very low over the last two years and population forecasts have been revised down due to lower immigration, birth rates and limited new housing development. BERL forecasts GDP growth to grow by $378 million from 2022 and reach $1.208 billion by 2053 (an average annual increase of 1.2 percent). GDP growth is forecast to be led by rural

Tararua District which will see GDP increase by $188 million to reach $631 million by 2053. Dannevirke is expected to grow by $109 million at an annual growth rate of 1.2 percent. Key factors supporting future growth include opening of a major new highway enabling commuting to Palmerston North, new District Plan with growth areas planned, and new lifestyle subdivisions. Refer to Appendix 4 on more expanded explanation of growth and our Tararua growth strategy.

Serviced areas

TDC manages several Water Supplies schemes throughout the district, supplying water to the towns of Dannevirke, Pahiatua, Woodville, Eketahuna, Norsewood, Akitio and Pongaroa. Treatment varies between schemes, from chlorine, microfiltration, ultraviolet, and combinations of these. Over 5,000 residential properties are served through the following individual water supplies:

- 8 water intakes including 2 bores
- 7 water treatment plants
- 1 pump stations, 14 reservoirs
- 267 kilometres of water supply pipelines
- 47 kilometres of laterals

Three privately operated rural (livestock) water supply schemes operate in the district, including at Hinemoa, Pleckville and Makuri.

Wastewater reticulation systems are provided in the urban areas of Dannevirke, Pahiatua, Woodville, Eketahuna, Norsewood, Pongaroa and Ormondville. Rural houses manage their own effluent. Primary treatment is done onsite by industries to comply with trade waste discharge limits set by Council before discharging to the public wastewater system, where it is treated and discharged to land and/or water ultimately discharging to the ocean. Tararua District Council's wastewater network includes:

- 7 treatment plants
- 21 sewer pump stations
- 95 kilometres of wastewater pipeline
- 1,100 maintenance chambers

TDC manages and maintains an urban network of pipes and open channel drains to safely direct stormwater to inland streams and to the ocean. Stormwater reticulation infrastructure is provided in the urban townships of Dannevirke, Pahiatua, Woodville and Eketahuna. TDC's stormwater network includes:

- 28 kilometres of stormwater pipelines
- 26 kilometres of open channel drains and streams
- 1,160 maintenance chambers and sumps

Table 3 below sets out the Council's service performance measures for supply, wastewater and stormwater.

TDC Table 2: Water services schemes

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater #schemes	Stormwater # catchments
Residential areas (If more than one identify separately)	Refer Table 1	Refer Table 1	Refer Table 1
Non-residential areas (If more than one identify separately)	Refer Table 1	Refer Table 1	Refer Table 1
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	n/a; Three private rural schemes	n/a	n/a
Areas that do not receive water services (If more than one identify separately)	Ormondville	Akitio : 1 private wastewater scheme	n/a
Proposed growth areas • Planned (as identified in district plan) • Infrastructure enabled (as identified and funded in LTP)	Ex Hillcrest School Pahiatua – Infrastructure Acceleration Fund Completed project	Ex Hillcrest School Pahiatua – Infrastructure Acceleration Fund Completed project	Ex Hillcrest School Pahiatua – Infrastructure Acceleration Fund Completed project

TDC Table 3: Statement of Performance measures – water supply, wastewater and stormwater

	2023/24 Actual	2023/24 Target	2023/24 Performance	2024/25 Actual	2024/25 Target	2024/25 Performance	2025/26 + Target
Water							
Percentage of customers rating water management as "fairly satisfactory" or "very satisfactory" in the community survey.	70%	80%	Failed	48%	80%	Failed	80%
Drinking water pressure or flow	2.6	<4	Achieved	3.4	<4	Achieved	<4
Number of complaints over 1,000 connections to Council's networked reticulation system for Drinking water :							0%
Taste	0.6	<5	Achieved	1.0	<5	Achieved	<5
Clarity	7.3	<5	Not Achieved	7.3	<5	Not Achieved	<5
Odour	1.2	<4	Achieved	-	<4	Achieved	<4
Continuity of supply	11.7	<5	Not Achieved	8.7	<5	Not Achieved	<5
Council's response to the issues above	1.0	<2	Achieved	0.6	<2	Achieved	<2
Total number of recorded complaints	27.1	<25	Achieved	24.3	<25	Achieved	<25
Median response time to attend an urgent call out, measured from the time Council receives notification to the time that service personnel reach the site	0.0	<1 hours	Achieved	0.3	<1 hours	Achieved	<1 hours
Median time to resolve an urgent callout, measured from the time Council receives notification to the time that service personnel confirm he resolution of the fault	1.3	<5 hours	Achieved	0.8	<5 hours	Achieved	<5 hours
Median response time to attend a non-urgent call out, measured from the time Council receives notification to the time that service personnel reach the site	3.1	<8 hours	Achieved	2.9	<8 hours	Achieved	<8 hours
Median time to resolve a non- urgent callout, measured from the time Council receives notification to the time that service personnel confirm the resolution of the fault	10.4	<24 hours	Achieved	6.2	<24 hours	Achieved	<24 hours
The percentage of real water loss from the Council's networked reticulation schemes based on the minimum night flow (MNF) analysis	63%	<20%	Not yet assessed	TBA	<20%	Not yet assessed	<20%
Average consumption of drinking water per day per resident connected to a Council scheme	350	<300 litres	Not yet assessed	TBA	<300 litres	Not yet assessed	<300 litres

	2023/24 Actual	2023/24 Target		2024/25 Actual	2024/25 Target		2025/26 + Target
Wastewater							
The number of dry weather sewerage overflows from the wastewater system per 1,000 connections	2.0	<5	Achieved	2.0	<5	Achieved	<5
Percentage of residents rating wastewater management as "fairly satisfactory" or "very satisfactory" in the community survey.	0.8	80%	Achieved	67%	80%	Achieved	80%
Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to:							0%
Abatement Notices	2.0	-	Not Achieved	-	-	Achieved	0%
Infringement notices	2.0	-	Not Achieved	-	-	Achieved	0%
Enforcement orders	-	-	Achieved	-	-	Achieved	0%
Convictions	-	-	Achieved	-	-	Achieved	0%
Median time to attend a sewage fault, measured from the time Council receives notification to the time that service personnel reach the site	0.0	< 1 hour	Achieved	0.7	< 1 hour	Achieved	< 1 hour
Median time to resolve a sewage fault, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault	0.0	< 5 hours	Achieved	1.7	< 5 hours	Achieved	< 5 hours
Number of complaint received about wastewater per 1,000 connections for:							
Sewerage odour	0.2	<4	Achieved	-	<4	Achieved	<4
Sewerage system faults	3.5	<5	Achieved	4.478	<5	Achieved	<5
Sewerage system blockages	3.9	<7	Achieved	2.646	<7	Achieved	<7
Councils response to the above issues	0.2	<3	Achieved	0.611	<3	Achieved	<3
Total Number of recorded complaints	7.5	<19	Achieved	7.735	<19	Achieved	<19
NEW - Number of schemes with consents which are current				5		New measure	not yet set

	2023/24 Actual	2023/24 Target		2024/25 Actual	2024/25 Target		2025/26 + Target
Stormwater							0%
The number of flooding events where an overflow of stormwater had entered a habitable floor.	-	<20	Achieved	2.0	<20	Achieved	<20
For each flooding event, the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system	-	<5	Achieved	0.4	<5	Achieved	<5
Percentage of residents rating stormwater management as "fairly satisfactory" or "very satisfactory" in the community survey.	60%	70%	Not Achieved	59%	70%	Not Achieved	70%
Number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to the stormwater system	10.6	<9	Not Achieved	11.0	<9	Not Achieved	<9
Number of enforcement actions against Council for not meeting resource consent conditions for discharge from the stormwater system relating to:							0%
Abatement Notices	-	-		-	-		0%
Infringement notices	-	-		-	-		0%
Convictions	-	-		-	-		0%
Median time (hours) to attend a flooding event, measured from the time that	-	<2 hours		1.3	<2 hours		<2 hours

Asset condition

The condition of assets is largely based on asset age and vulnerability according to material type and overall, the Council considers it has a 'medium to high' confidence in its assessment and data reliability. Regular pipeline and lateral failures on the same length of pipe are physically investigated to determine overall condition and extrapolated to comparable surrounding assets. Non-intrusive and non-destructive technology has been used to determine pipe wall thickness loss where vulnerable types or older materials have been identified. It is important to note that there is historic uncertainty on actual installation date due to legacy data losses. For treatment plants, physical inspections are undertaken to assess the condition of treatment plants and associated components.

For water assets, their condition can be assessed by leak detection, measurement of water loss, demand changes by metered users, customer service requests, plans and physical works. Extensive work on water leak detection has been done since the 2020 drought. Investment in electronic measurement has significantly improved our understanding of the water supply performance and its use. The majority of Wastewater and Stormwater pipes have been recorded, reviewed and rated in detail using Council's fibre optic camera inspection system. Council has an underground CCTV inspection system, and all open pipes (excluding water reticulation) have been able to be inspected where physically possible over the last ten years, making our knowledge of wastewater and stormwater reticulation more accurate.

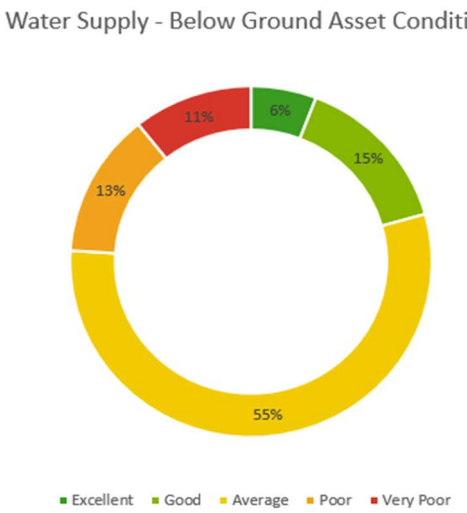
Some data inconsistencies are common in legacy asset database systems where asset ownership has changed or where data has been transferred across different data management systems. Data accuracy is being improved progressively by resolving anomalies as issues are identified. Council is currently transferring data into a new database (RAMM) and itemising plant components, and this is expected to improve data management and identify deficiencies. Council is also considering how to better utilise Customer Request Management data and response and repair works, to efficiently resolve service requests and identify reoccurring asset failures and provide linkage of data between asset databases.

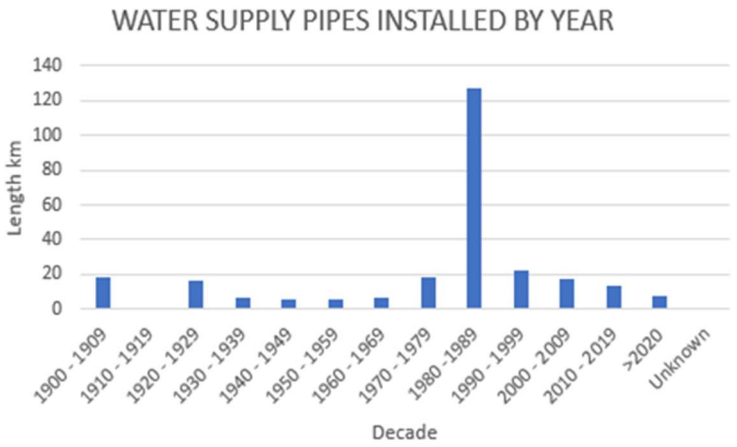
Dataset	Asset Register	Asset Valuations	Asset Condition	Asset Criticality	LOS	Performance measures	Resource Consents	Demand Projections	Risk and Resilience	CAPEX Forecast	OPEX Forecast	Renewals
WS	C	B	C	C	B	B	A	B	C	A	A	B
WW	C	B	C	C	B	B	A	B	C	A	A	B
SW	C	B	D	C	D	E	A	D	C	D	B	B

A - Very High	B - High	C - Medium	D- Low	E - Very Low

Water supply

Treatment Plants have received significant investment over the last six years to meet drinking water standards and increased focus on maintenance schedules is improving asset resilience. For below-ground reticulation assets, 11% of all assets are currently assessed to be in very poor condition, 13% in poor condition, 55% in average condition with 15% in excellent condition.





Council has a critical asset register for the Dannevirke, Woodville, Norsewood and Eketahuna water treatment plants that have been identified as critical. These assets are managed in a more pro-active manner including scheduled inspections, monitoring and servicing, and prioritised repairs or other actions taken, for the reticulation network as defined in the Tararua Alliance Operations and Maintenance contract.

Current water demand is high across the main towns during summer months including significant unexplained water losses placing additional stress on source water supplies. With projected growth adding to consumer demand, there is a strong driver to increase efficiency in the reticulation network and in treatment processes to ensure resource consents are met and prevent the need for emergency measures needed to immediately reduce demand by operating in comfortable zones of operational good practice.

Water Supply Management Across Our District

Critical Water Infrastructure Our council maintains a priority list of essential water treatment facilities in Dannevirke, Woodville, Norsewood, and Eketahuna. These critical systems receive extra attention through regular inspections, monitoring, maintenance, and priority repairs as outlined in our Tararua Alliance Operations and Maintenance contract.

Dannevirke Water Supply comes from a covered dam storing untreated water. It experienced problems following the 2020/21 drought when the water inlet failed, which then caused additional failure with the underground drainage system. We successfully completed repairs and conducted thorough engineering assessments. While we continue to monitor the dam closely and operate it at a reduced water level for safety, we're working on several improvements:

- Strengthening the water source
- Upgrading treatment systems to handle turbid water from rain events
- Adding more treated water storage
- Purchasing additional land around the reservoir for protection and management

Aging Water Storage Tanks Several of our water storage reservoirs are reaching the end of their useful life and are at risk during natural disasters:

- Dannevirke: A secondary tank will be installed in 2025/26
- Woodville: Tank replacement postponed from 2025/26 to 2026/27

Water Fluoridation Updates Following a directive from the Director General of Health, Dannevirke's water supply began fluoridation in late 2024. Pahiatua and Woodville will also need to add fluoride to their water supplies, pending Ministry funding.

Improving Water Quality and Public Satisfaction Public satisfaction with urban water supplies is steadily improving thanks to better water quality and security, driven by stricter Drinking Water Standards.

Main Challenges water supply concerns are:

1. Source water quality and quantity - During dry spells, we may not have enough water. During heavy rain, surface water becomes muddy and hard to treat.
2. The Dannevirke dam - This critical facility needs significant work to keep it operational.
3. Aging treated storage tanks – Woodville and Dannevirke are nearing end-of-life and may be vulnerable to seismic damage.

High Summer Demand and Water Loss Water demand peaks during summer months across our main towns. We're also experiencing significant unexplained water losses, putting extra pressure on our water sources. With expected population growth increasing demand, we need to:

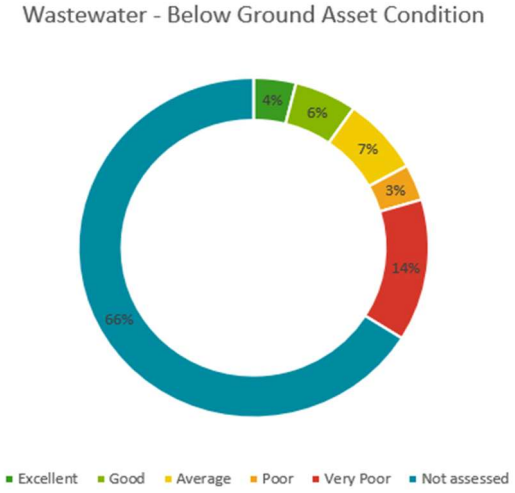
- Improve efficiency in our pipe networks
- Upgrade treatment processes
- Meet our resource consent requirements
- Avoid emergency water restrictions by operating within safe limits

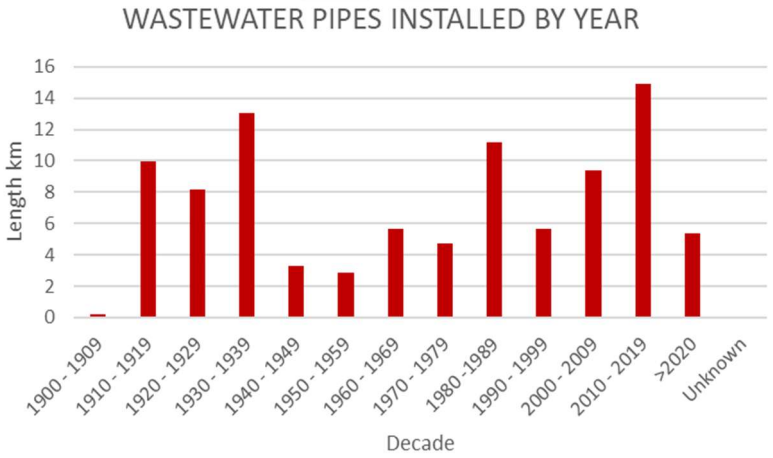
Mitigation options used and being explored include:

- Increased potable storage
- Enhanced pre-treatment
- Investigating alternative sources e.g., bores
- Water metering
- Enhanced leak detection investigations
- Pressure management to reduce network losses
- Enhanced monitoring of flows to the reticulation network
- Further development of the Masterplan.

Wastewater

Treatment plants are critical at Dannevirke, Woodville, Pahiatua, Eketahuna, Norsewood, Ormondville, and Pongaroa. These assets are managed in a more pro-active manner including scheduled inspections, monitoring and servicing, and prioritised repairs or other actions taken, reticulation network as defined in the Tararua Alliance Operations and Maintenance contract.





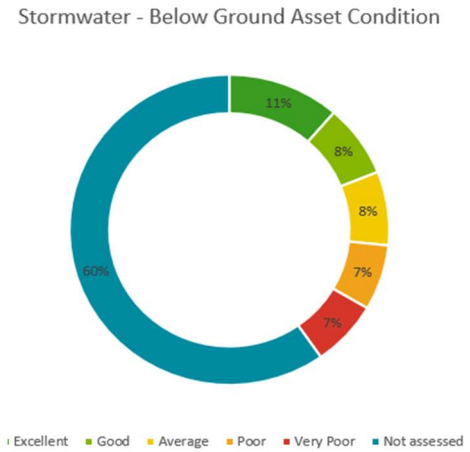
The overall satisfaction for wastewater service remains the same as previous years. TDC has been mostly compliant with wastewater levels of service in the last five years. However, Wastewater Treatment Plant has had infringement notices in 2020/21 and 2022/23. There is potential for more due to failing to meet consent conditions, which is why there is a continued focus on investment treatment. The removal of sludge as a pre-treatment process is improving quality of outflow, but this is an expensive process requiring sludge disposal.

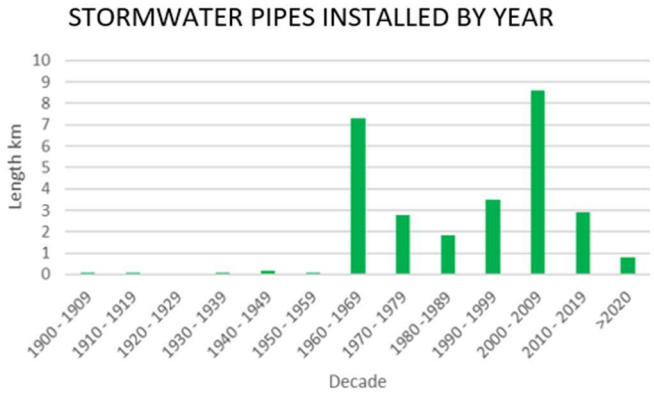
Inflow and infiltration remains a key issue in the network increasing flows beyond design capacity of the network also posing high risk to delivery of upgrades at Wastewater Treatment Plants caused by significant high volumes of stormwater entering the sewerage system which complicates design and significantly increases investment of which there are upgrades required at all wastewater sites in the coming LTP which will be a challenge to meet all conditions. Sludge disposal is also a high priority area that needs to be addressed, caused by a backlog of sludge in wastewater ponds and new processes that require sludge storage and disposal. Lack of storage locations and ability to reduce volumes through drying or dewatering increases cost of disposal to current landfill outlets. Mitigation options include:

- Increased focus on early engagement for consents
- Sludge Disposal Strategy and storage investigations
- Treatment Plant design optioneering
- Inflow and infiltration reduction strategy investigation
- Increased focus for Treatment Plant operation
- Further development and fine tuning of the Masterplan

Stormwater

Most of the Tararua stormwater network is immature in terms of infrastructure layout and design. The network relies on natural water courses and limited connected pipe infrastructure. The overall system is not deemed fit-for-purpose for the future needs of the district, population growth projections and climate change.





Overall system design will be re-assessed against future requirements which may require a complete overhaul and re-design to ensure system capacity will accommodate growth and a changing climate with predictions of greater intense rainfall events fit-for-purpose for future needs of the district. This may lead to assets being abandoned, re-purposed or diverted at which time is an ideal opportunity to eliminate critical at-risk assets or address criticality. For purposes of resilience this may require the introduction of pumping stations, and a full re-evaluation will take place to register Critical assets.

Although a formalised criticality assessment has not been undertaken, the following assets have been identified as critical – Dannevirke culvert (which runs under buildings and the State Highway and through private property and there are limited entry points) and Pahiatua and Town Creek culverts (which also runs under buildings and through private properties and there are limited entry points to maintain). Given the challenges of access, these are difficult to inspect, and the condition is unknown. They would also be difficult to access in the event of a failure with potential for significant damage to surrounding infrastructure.

Stormwater management customer satisfaction is the lowest during periods of significant rainfall events. During heavy rainfall events, there is surface flooding in both public (road reserve and land) and private property, with one habitable floor affected in 2022/23 and some previous incidents in receding years. The stormwater network lacks maturity with limited options for property owners to connect to a robust and resilient network due to limited infrastructure. Mitigation response/key projects include:

- Increased maintenance of open channels
- Further development and fine tuning of the Masterplan with regard to the growth Strategy, draft District Plan review and floodplain modelling
- To include enhancing infrastructure and resilience.

There is limited modelled flood data for two areas about Dannevirke. However, from new LiDAR in 2024 we know that most of Dannevirke is relatively elevated above the main waterways, and as such the general flood risk is relatively low. The flood modelling shows that the key flood risk areas around Woodville are to the south and west, which are the lower lying areas, and are relatively close to the Manawatū River. Development in this area will have to consider potential flood mitigation measures. Some localised low spots can be found within the town centre, but these can easily be avoided or managed through site level designs.

The flood modelling data for Pahiatua shows that there are extensive risk areas to the south and west, and to a lesser extent to the north. The Huxley Drain will need to be upgraded to manage any future urban growth, potentially requiring a stormwater channel running east to west across town. Further flood mitigation may be required if urban development is extended to the north. There are no particular flood risks within the built areas of Eketāhuna given its elevation above the surrounding valley floor.

TDC Table 3: Asset condition information

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	**48 Years**	**54 Years**	**ars**
Critical Assets	Identified	Dannevirke main siphon	Pahiatua
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	New < ten years old: Dannevirke, Woodville, Pahiatua, Eketahuna Dannevirke – seismic strengthening of existing treated reservoir End of life tank reservoirs at Dannevirke (Treated); Woodville (Treated) – replacement in 2025/26 & 2026/27 Extra tanks being planned for Pongaroa	New DAF at Dannevirke (potential reconsidered at 2028), Woodville – end-of life, except headworks new, Pahiatua DAF – to be , wetlands to be developed; Eketahuna (New Wetland) No mechanised treatment at Pongaroa, Ormondville or Norsewood	Minor (only 1 small pump in district)

Below ground assets

- Total Km of reticulation
- Percentage of network with condition grading
- Percentage of network in poor or very poor condition

Water Pipes	Length (metres)
Un-plasticised PVC	141,306
Cast Iron	41,617
Asbestos Cement	26,756
Modified Polyvinyl Chloride	13,287
Medium Density Polyethylene (MDPE)	12,644
Steel	9,037
Alkathene	7,161
Polyvinylchloride	6,363
Oriented PVC (EG:Blue)	4,688
Galvanised	905
Unknown	587
Grey Cast Iron	367
Low Density Polyethylene	75
Reline Fibreglass	52
Total	**263,763**

Wastewater Pipes	Length (metres)
Glazed Earthenware	27,668
Un-plasticised PVC	21,862
Concrete	16,948
Reline Riblock	8,303
Un-plasticised PVC Sewer	6,665
Asbestos Cement	3,958
Modified Polyvinyl Chloride	3,713
Reline Fibreglass	1,760
Oriented PVC (EG:Blue)	519
Medium Density Polyethylene (MDPE)	499
Unknown	452
Steel	444
Polyvinylchloride	67
Vitreous Clay (or Earthen	26
Cast Iron	16
Total	**91,893**

Stormwater Pipes	Length (metres)	Average Age (Years)
Asbestos Cement	94	46
Concrete	20,236	35
Glazed Earthenware	812	50
Novaflow	34	19
Polyvinylchloride	451	23
Reline Fibreglass	444	5
Steel	406	60
Unknown	1,879	43
Un-plasticised PVC	3,942	17
Vitreous Clay (or Earthen	91	113
Total	**28,390**	**33**

Asset management approach

The objective of asset management is to create, operate, maintain, rehabilitate and replace assets at the required level of service for present and future customers in a cost effective and sustainable manner. TDC utilises RAMM to manage water services asset data. It can hold schematic data of plant sites, and a full capture of all plant items is nearing completion. Masterplan growth and level of service data is held at an asset level reflecting the hydraulic engineering work. Wastewater and Stormwater underground CCTV inspection has been completed over a period of close to ten years with subsequent condition rating completed.

Treatment plant (both water, wastewater) service delivery is via an inhouse (TDC) operations team, reticulation (both water and wastewater) service delivery are via a collaborative alliance contract with Downer NZ where council staff may be seconded to Downer and TDC staff seconded to Downer with full cross-confidentiality agreements, shared data, known profit margins and annual external contract audit. TDC have self-assessed current practice with appropriate and best asset management practice (International Infrastructure Management Manual - IIMM guidelines). The latest assessment was 2018. This assessment has not been independently audited.

Statement of regulatory compliance

Council employs directly a number of staff to conduct monitoring and oversight. SCADA improvements are expected to increase the robustness and security of the system and future reporting. This project will be delivered in 2025.

TDC Table 4: Regulatory compliance

Drinking Water Supply

Compliance 2024/25	**Drinking supply schemes**						
	DANNEVIRKE	**PAHIATUA**	**WOODVILLE**	**EKETAHUNA**	**NORSEWOOD**	**PONGAROA**	**AKITIO**
Parameters							
Bacterial compliance (E.coli)	YES	YES	YES	YES	YES	YES	YES
Protozoa compliance	NO, but Protozoa barrier in place (program error)	YES	YES	YES	NO (Compliance data not available) / but Protozoa barrier in place	NO (Compliance data not available) / but Protozoa barrier in place	NO (Compliance data not available) / but Protozoa barrier in place
Chemical compliance	YES	YES	YES	YES	NO	YES	NO
Boiling water notices in place	0	0	0	0	0	0	0
Fluoridation	YES	N/A	N/A	N/A	N/A	N/A	N/A
Average consumption of drinking water	[312 l/person/day] Estimated from Network Environmental Performance Measures	[304 l/person/day] Estimated from Network Environmental Performance Measures	[329 l/person/day] Estimated from Network Environmental Performance Measures	[359 l/person/day] Estimated from Network Environmental Performance Measures	[324 l/person/day] Estimated from Network Environmental Performance Measures	[510 l/person/day] Estimated from Network Environmental Performance Measures	[103 l/person/day] Estimated from Network Environmental Performance Measures
Water restrictions in place (last 3 years)	YES	YES	YES	YES	YES	NO	YES
Firefighting sufficient	YES	YES	YES	YES	NO	NO	YES

Resource Management							
Significant consents (note if consent is expired and operating on S124)	Water supply take [104947]	Water supply take [102781] (surface) Expired 24/1/2022, Operating on S124 and consent [10494] (bore)	Water supply take [102773] Expired 31/5/2021, Operating on S124	Surface Water supply take [101169], Expired 19/11/2019, Operating on S124	Water supply take [number]	Water supply take [4536]	Water supply take [0] (Under 50m3 per day)
	Water discharge [0]	Water discharge [0]	Water discharge [0]	Water discharge [0]	Water discharge [0]	Water discharge [number]	Water discharge [0]
Expire in the next 10 years	[1] Expire 1/07/2026	Expired (Surface Water Take) [1] (Bore) Expire 1/7/2029	Expired	Expired	N/A	Expire 15 August 2029	[N/A]
Non-compliance:							
Significant risk non-compliance	[1]	[1]	[0]	[0]	[0]	[0]	[0]
Moderate risk non-compliance	[0]	[0]	[2]	[0]	[0]	[0]	[0]
Low risk non-compliance	[3]	[0]	[0]	[4]	[0]	[0]	[0]
	[number]	[number]	[number]	[number]	[number]		
Active resource consent applications	[1]Active Resource Consent Application (Surface Water Take)	[2] Active Resource Consent (Bore) & Surface Water Operating on Section 124	[1]Surface Water Take - Operating on section 124	[1]Surface Water Take - Operating on section 124	No Active Consent	[1] Active Resource Consent Water Take	
Compliance actions (last 24 months):							
Warning	[0]	[0]	[0]	[0]	[0]	[0]	[0]
Abatement notice	[1]	[1]	[0]	[1]	[0]	[0]	[0]
Infringement notice	[0]	[0]	[0]	[0]	[1]	[0]	[0]
Enforcement order	[0]	[0]	[0]	[0]	[0]	[0]	[0]
Convictions	[0]	[0]	[0]	[0]	[0]	[0]	[0]
	[0]	[number]	[number]	[number]	[number]	[number]	[number]

New SCADA control systems are currently being rolled out across all sites for both water and wastewater to ensure data compliance and security.

Wastewater

Compliance 2024/25	Wastewater schemes						
	DANNEVIRKE	PAHIATUA	WOODVILLE	EKETAHUNA	NORSEWOOD	ORMONDVILLE	PONGAROA
Parameters							
Resource Management							
Significant consents (note if consent is expired and operating on S124)	ATH-2003008378.00 & ATH-2003008379.00	ATH-1995001433.02 & ATH-2016200772.00 & ATH-2016200747.00 & ATH-2017201544.00 & ATH-2017201543.00	ATH-2008008883.03 & ATH-2008011313.03 & ATH-2018202176.00 & ATH-2021204294.00 &ATH-2014015265.01	ATH-2013010987.01 & ATH-2018202081.00 & ATH-2015200247.00 & ATH-2013011395.01 & ATH-2018202078.00 & ATH-2018202079.00 & ATH-2018202080.00	Expired 1/7/2018 ATH-2010009861.01 & ATH-2016200912.00 & ATH-2016200913.00 operating on S124	ATH-2009011932.00; ATH-2009011933.00	Expired 30/04/2019 102885 - ATH-2009010468.00 operating under S124
Expire in the next 10 years	Network [1] [2] Expire 9/12/2027	Network [1] [1] ATH-2017201543.00 will expire 30/11/2025 [4]others will expire 16/08/2033	Network [1] [0]	Network [1] All expire 16/08/2028	Network [1] Expired	Network [1] [2] Consents Expire 20/7/2026	Network [1] Expired
Non-compliance:							
Significant risk non-compliance	[0]	[0 }	[1]	[2]	[1]	[0]	[3]
Moderate risk non-compliance	[0]	[3]	[2]	[14]	[0]	[0]	[2]

Low risk non-compliance	[2]	[0]	[6]	[2]	[0]	[2]	[1]
Active resource consent applications	[2] Active Resource Consent Application (Discharge to water), (Discharge to Air)	[5] Active Resource Consents (Discharge to Air, Discharge to Water, Discharge to Land, Earthworks)	[5] Active Consents (Discharge to water, Pond & Wetland Seepage, Discharge to Land, Discharge to Air, Earthworks)	[7] Active consents (Discharge to Water, Discharge to Land, Discharge to Air, Earthworks)	[3] Active Consents(Discharge to Water, Pond Seepage Discharge, Discharge to Air) operating on S124	[2] Active Consents(Discharge to Water, Pond Seepage Discharge)	[1] Active Discharge Resource Consent operating on S124
Compliance actions (last 24 months):							
Warning	[0]	[0]	[0]	[0]	[0]	[0]	[1]
Abatement notice	[0]	[0]	[0]	[2] Notice 1399 & 1400	[0]	[0]	[0]
Infringement notice	[1]	[0]	[0]	[2] IN 1127 & 1128	[0]	[0]	[0]
Enforcement order	[0]	[0]	[0]	[0]	[0]	[0]	[0]
Convictions	[0]	[0]	[0]	[0]	[0]	[0]	[0]

Resource consents

TDC holds consents for water abstractions and discharges from its treatment plants. It is currently renewing the consent for Tararua Urban water abstraction, which is operating under section 124 of the Resource Management Act 1991. The consents for three of the four wastewater treatment plant discharges and discharges of supernatant from the Tararua water treatment plant are due for renewal in the coming ten years.

Location	Consents and Permits	Due	2025/26 Progress
Eketahuna	Source Water consent (Makakahi)	19/11/2019	In progress
Woodville	Source water consent (Mangapapa)	31/05/2021	In progress
Pahiatua	Source water consent (Managatainoka)	24/01/2022	In progress
Akitio	Source water consent renewal	<50 m3	Not required
Dannevirke	Backwash water Resource Consent (new requirement)	2024/25	In progress - evaluating requirements
Pahiatua	Backwash water Resource Consent (new requirement)	2024/25	In progress - evaluating requirements
Woodville	Backwash water Resource Consent (new requirement)	2024/25	In progress - evaluating requirements
Eketahuna	Backwash water Resource Consent (new requirement)	2024/25	In progress - evaluating requirements
Norsewood	Backwash water Resource Consent (new requirement)	2024/25	In progress - evaluating requirements
Dannevirke	Source water consent (Tamaki)	1/07/2026	In progress
Pahiatua	Source Water consent renewal (bore)	1/07/2029	Current
Pongaroa	Source water consent renewal	15/08/2029	Current
Woodville	Dam construction permit (water)	13/03/2030	Current
Pahiatua	Erosion control consent	8/07/2032	Current
Pahiatua	Dam & diversion consent	8/07/2032	Current
Pahiatua	Sediment discharge permit	8/07/2032	Current

Wastewater

The council is monitoring the regulatory environment for future implications of changes to the environmental compliance standards, particularly the National Wastewater Environmental Performance Standards being developed by Taumata Arowai.

Location	Consents and Permits	Due	2025/26 Progress
Norsewood	Wastewater discharge Consent	1/07/2018	Awaiting New National Standards - evaluating requirements (Operating under S.124, existing use)
Pongaroa	Wastewater discharge Consent	30/04/2019	Awaiting New National Standards - evaluating requirements (Operating under S.124, existing use)
Pahiatua	Wastewater Wetland	30/11/2025	In Progress - application lodged
Ormondville	Wastewater discharge consent	1/07/2026	Awaiting New National Standards - evaluating requirements
Dannevirke	Wastewater discharge consent	9/12/2027	Awaiting New National Standards - evaluating requirements
Eketahuna	Wastewater discharge Consent	16/08/2028	Awaiting New National Standards - evaluating requirements
Woodville	Wastewater land use consent	14/12/2029	Current
Pongaroa	Wetland Resource consent	30/11/2030	Awaiting New National Standards - evaluating requirements
Pahiatua	Wastewater discharge consent	16/08/2033	Current
Woodville	Woodville Wastewater discharge consent	14/12/2037	Current

Capital expenditure required to deliver water services

The current scale of operation needs to increase to meet the enlarged renewal programme. Council and Downer NZ partner in a collaborative contract for water services maintenance and there are options to expand the level of service. Further notes are made on the programme later in this WSDP that expands on the work priorities.

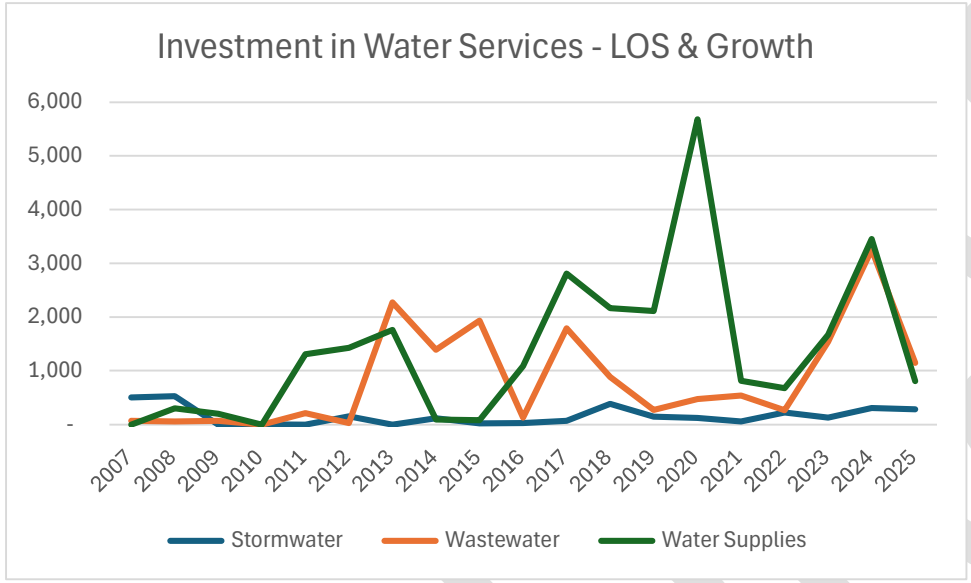
TDC Table 5: Projected investment in water services

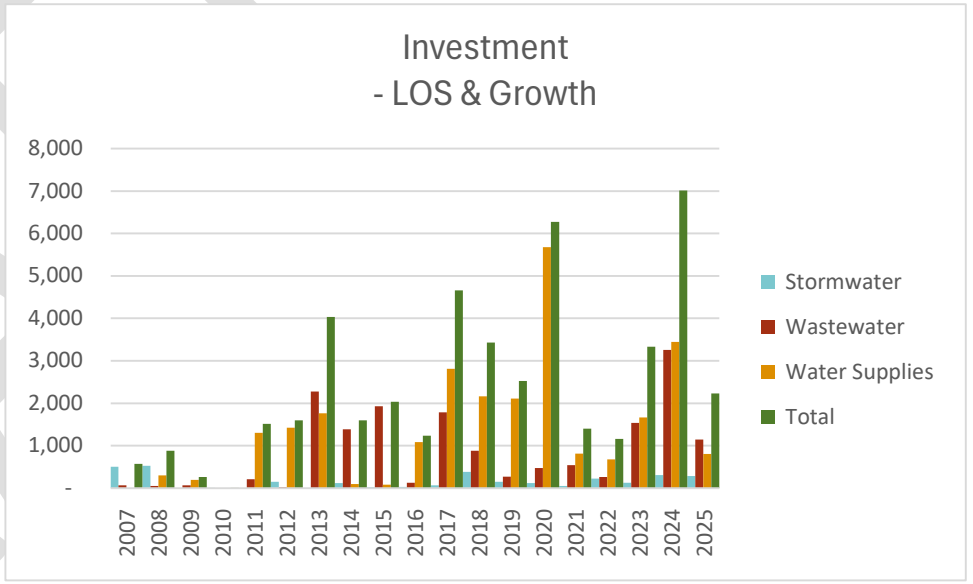
Projected investment in water services	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Drinking water										
Capital expenditure - to meet additional demand	457	1,414	476	1,939	524	1,602	542	1,658	0	0
Capital expenditure - to improve levels of services	1,227	1,711	998	1,360	1,730	741	882	726	810	750
Capital expenditure - to replace existing assets	7,948	7,623	6,679	10,928	3,809	5,382	9,581	3,510	5,179	3,092
Total projected investment for drinking water	9,632	10,749	8,153	14,226	6,063	7,724	11,005	5,894	5,988	3,841
Wastewater										
Capital expenditure - to meet additional demand	281	514	532	555	577	601	624	244	252	256
Capital expenditure - to improve levels of services	1,527	5,268	4,788	6,014	5,941	149	54	54	54	54
Capital expenditure - to replace existing assets	2,305	2,724	2,520	3,457	3,192	3,235	2,900	2,534	3,368	2,981
Total projected investment for wastewater	4,112	8,506	7,840	10,026	9,710	3,985	3,577	2,831	3,674	3,291
Stormwater										
Capital expenditure - to meet additional demand	257	262	268	0	0	0	0	0	0	0
Capital expenditure - to improve levels of services	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	328	333	1,134	878	894	992	957	941	980	1,009
Total projected investment for stormwater	585	595	1,402	878	894	992	957	941	980	1,009
Total projected investment in water services	14,330	19,850	17,396	25,130	16,666	12,701	15,539	9,666	10,642	8,142

Historical delivery against planned expenditure

Tararua District Council has invested heavily in water and wastewater plant and storage over the past 18 years, with $45m invested and funded from debt, and occasionally subsidy. Refer graph below on Level of Service (LOS) and Growth. This investment excludes most renewal work, which have been funded from depreciation reserves. With $150.4m planned investment (or $134m in $2024 uninflated real value) this is a significant increase in investment that This has addressed drinking water treatment requirements and storage. Lined covered storage for Dannevirke and Woodville increased resilience, and new tanks were installed for Pahiatua, Norsewood, Pongaroa and Eketahuna. New tanks are now underway for Dannevirke and shortly Woodville. Extra land has been acquired for the Dannevirke Impounded Water Supply which was damaged following the 2020/21 drought. This damage has been stabilised but continues to be monitored while we focus on pre-treatment and an additional treated water tank.

Wastewater treatment ponds in Dannevirke, Woodville and Pahiatua have been lined. Microfiltration in Dannevirke for Wastewater has been renewed while DAF units for sludge removal have been installed in Dannevirke, Woodville and Pahiatua. A wetland for Eketahuna has been completed and further wetland work has been initiated for Woodville and Pahiatua.





TDC Table 6: Historic delivery against planned

Delivery against planned investment	Renewals investment for water services				Total Investment in water services			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in the relevant LTP)	3,690	10,576	7,382	21,648	9,820	27,649	14,703	52,172
Total actual investment	3,403	10,025	10,445	23,873	6,264	21,781	23,076	51,121
Delivery against planned investment (%)	92%	95%	141%	110%	64%	79%	157%	98%

Major Completed Projects Five Years to 30 June 2025

Water	**$000's**
Pahiatua Treatment Plant	4,937
Dannevirke Impounded Water Supply	1,700
Eketahuna Storage	157
Woodville Storage	102
Norsewood Treatment	419
Dannevirke Treatment	164
Eketahuna Treatment	823
Woodville Treatment	506
Fluoridation	556
Various	1,541
	10,905

Wastewater	**$000's**
Dannevirke Treatment Microfiltration	1,999
Eketahuna Wetland	1,206
IAF Growth - Pahiatua Hillcrest	1,108
Eketahuna Treatment	200
Pahiatua Wetland	159
Woodville Wetland	297
Various	741
	5,710
Stormwater	
Various	**691**
Total	**17,306**

Part C: Revenue and financing arrangements

C1: Revenue and charging arrangements

Note for reader

As set out in Part A, proposed charging arrangements for water services will be subject to further discussions between the Partner Councils and the WSO. These arrangements will reflect the legislative requirements signalled in the Local Government (Water Services) Bill. Current charging structures are expected to continue under the WSO for a period – the WSO will be responsible for determining the amount of revenue to collect according to financial sustainability requirements and existing tariff structures. The WSO will review tariff structures, including consideration of metering, as required under the Local Government (Water Services) Bill. The feasibility of the WSO directly billing and invoicing customers from day one will be determined through establishment and transition planning.

Charging and billing arrangements

The table below sets out the summary methods of charging for water services in the Tararua. TDC does not have development or financial contributions, although actual costs for new connections may be recovered. Council tracks and records direct costs against each water activity and by scheme. Council applies a "District Wide" rating system with the exception of the Pongaroa rural scheme.

Water supply	Wastewater	Stormwater
• Urban Water Targeted Rate – Connected. Charged to all properties connected or able to connect (within 100m) to the Council system • Urban Water Targeted Rate - Available but not connected • Pongaroa Water Targeted Rate – applies to properties connected to Pongaroa Rural Water Supply Scheme. Each unit (up to 1 cubic metre per day) is charged separately. • Volumetric Water Charges - Metered Rates. Properties pay a fixed rate per property plus a user change for water over 80 cubic metres per quarter • Large users – those using over 2,000 cubic metres per quarter may be charged a different rate, with rates reviewed annually.	• Wastewater General Rate - 5% of Operational Costs are recovered through general rates, comprising the fixed uniform annual general charge and land value charge. The valuation-based charge may be required to be phased out over a period of five years as set out in the Local Government (Water Services) Bill if it proceeds unchanged. • Wastewater Targeted Rate – Connected. Charged to all properties connected or able to connect to the Council's wastewater system (within 100m), except educational and multi-use residential properties. • Wastewater Targeted Rate - Available but not connected. If wastewater is available but not connected, the charge is 50% of the connected rate. • Wastewater Targeted Rate - Multiple Use. 33% of full charge for each toilet/urinal from 4 to 12, with no charge from 13 upwards. • Educational establishments and multi-unit residential properties. Charged per toilet and remissions may apply.	• Stormwater Targeted Rate - Charged as a fixed amount to every property in the stormwater drainage area where stormwater is collected and managed to reduce flood risk.

Future charging arrangements

In the future, it will be the responsibility of the WSO to charge for water services. The specific charging mechanisms for each supply scheme or catchment are yet to be determined. Whether the current charging approach is retained or revised will be decided by the WSO, which will also be fully responsible for revenue collection. Part A of this plan notes the WSO will be required to review and confirm its tariff structure as required by the Local Government (Water Services) Bill.

Responsibility for revenue collection from day 1 will be determined through the transition planning – as Part A indicates, it is yet to be determined exactly how billing arrangements are established for the WSO, however, if feasible, shareholding councils will work towards the entity to be enabled to independently bill for day one. The current assumption is that Councils will collect revenue on the WSO's behalf for a determined period to manage the risk of transition (with revenue requirements set by the WSO to meet financial sustainability requirements). In any interim arrangement, councils would act solely as agents, with no liability for collection, and all revenue would be passed through to the WSO via Council balance sheets in a manner consistent with the treatment of regional council rates. During the transition, any payments mistakenly made to Council will be transferred to the WSO and will not be treated as Council revenue.

Water services revenue requirements

Note to the reader

This section has been completed based on the Council's current approach to charging and pricing, as set out in the 2024/34 LTP, with some adjustments which have been applied across the four Councils. Key adjustments have been made to ensure conservatism in the forecasts, include Taumata Arowai and Commerce Commission levies, incremental costs associated with a WSO including audit, board and management costs, and debt funding establishment costs, and incorporate changes in financing cost assumptions to align with current LGFA rates. A summary of modelling assumptions can be found in Appendix 2.

Under this Plan, water services require significant revenue to meet financial sustainability requirements, support ongoing operations, meet regulatory standards, and fund capital investment. These requirements are currently met through a combination of general rates, targeted rates and volumetric charges.

Based on current forecasts, TDC anticipates $212.1million in operating revenues over the WSDP period, generating $133.2 million in cash surpluses. TDC generates $22.9m in operating surpluses, incorporating full funding of depreciation. Individual Funding Impact Statements in Part E set out the projected level of revenue by expected source. Capital revenues are exclusively debt, with no development or other contributions. The information in the table below identifies sources of revenue.

As TDC is transitioning water services to a WSO, the WSO will be required to meet the LGFA's financial covenants, including FFO-to-debt and interest coverage ratios, with the partner councils setting a target capital structure that maintains an FFO-to-debt at 10%, against the LGFA covenant of 9%. By moving to this capital structure, the WSO will not need to fund depreciation from cash / revenue in the same way as TDC does now; instead, the WSO will use debt to finance investment to ensure equitable sharing of costs over time, while maintaining borrowing within prudent limits to be determined by the board of the WSO, consistent with LGFA limits and agreed council support arrangements.

TDC Table 7: Forecast water services funding impact statement

Funding impact statement ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding											
General rates		288	303	342	367	397	427	445	404	407	412
Targeted rates		11,240	13,074	14,967	18,017	21,101	24,711	25,418	25,512	25,514	25,258
Subsidies and grants for operating purposes		681	541	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts		3	0	1	0	0	0	0	0	0	9
Fees and charges		210	214	218	223	227	232	236	240	245	249
Total operating funding		12,423	14,132	15,528	18,607	21,725	25,369	26,099	26,156	26,166	25,928
Applications of operating funding											
Payments to staff and suppliers		5,876	5,738	5,575	6,126	6,255	6,372	6,480	6,577	6,673	6,771
Finance costs		1,546	1,549	1,835	5,201	6,074	6,389	6,562	6,638	6,576	6,480
Internal charges and overheads applied		1,408	1,516	1,573	1,615	1,652	1,683	1,711	1,749	1,774	1,807
Other operating funding applications		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding		8,830	8,803	8,983	12,942	13,981	14,443	14,753	14,963	15,023	15,058
Surplus/(deficit) of operating funding		3,592	5,330	6,545	5,665	7,744	10,926	11,346	11,193	11,143	10,870
Sources of capital funding											
Subsidies and grants for capital expenditure		0	0	0	0	0	0	0	0	0	0
Development and financial contributions		0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt		7,177	9,619	5,151	10,297	7,292	341	89	2,946	3,002	5,328
Gross proceeds from sales of assets		0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding		0	0	0	0	0	0	0	0	0	0
Total sources of capital funding		7,177	9,619	5,151	10,297	7,292	341	89	2,946	3,002	5,328
Applications of capital funding											
Capital expenditure - to meet additional demand		995	2,190	1,277	2,494	1,100	2,202	1,166	1,902	252	256
Capital expenditure - to improve levels of services		2,754	6,979	5,786	7,373	7,671	890	936	780	864	804
Capital expenditure - to replace existing assets		10,581	10,680	10,333	15,264	7,895	9,608	13,438	6,984	9,527	7,082
Increase/(decrease) in reserves		(3,561)	(4,901)	(5,699)	(10,418)	(1,631)	(1,433)	(4,105)	4,473	3,503	8,056
Increase/(decrease) in investments		0	0	0	1,250	0	0	0	0	0	0
Total applications of capital funding		10,769	14,948	11,696	15,963	15,036	11,267	11,435	14,139	14,145	16,198
Surplus/(deficit) of capital funding		(3,592)	(5,330)	(6,545)	(5,665)	(7,744)	(10,926)	(11,346)	(11,193)	(11,143)	(10,870)
Funding balance		0	0	0	0	0	0	0	0	0	0

Affordability for communities

Over the WSDP's 10 years, the average charge per connection ranges from $2,398 at 3.2% of the median household income in FY25 to $4,956 at 4.8% of household income in FY34. These are nominal (inflated) numbers; the real (uninflated) FY34 cost is $3,879. These charges are an acknowledged affordability challenge; they reflect the Council's starting debt position and high level of investment programme totalling $150m in inflation adjusted nominal costs, and the requirement to meet financial sustainability targets on a cost-to-serve/ring-fenced basis.

There is little discretionary expenditure included in the investment programme, with the universal water meter project being a key demand management investment with discretion in its timing. However, estimates for work do include an accelerated renewal programme for wastewater pipes that have a poor/failed condition rating of 5 based on visual inspection supported by age analysis.

Through the transition, the Council will take a considered look at the investment programme to determine whether there are opportunities to rephase or prioritise work (particularly in relation to non-compliance related or essential renewal work) in order to manage costs for the community and spread investment between current and future customers. It is also expected that through the development of the Water Services Strategy, the WSO will apply a different lens over the timing and nature of future planned works by considering opportunities for bundling of work to reduce costs, or prioritising work across the wider region. New national engineering standards and changes in wastewater compliance requirements, such as wetland design for Dannevirke and Woodville, are also expected to help manage affordability for the community.

TDC Table 8: Average charge per connection

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average drinking water bill (including GST)	1,067	1,223	1,316	1,695	1,974	2,336	2,420	2,404	2,381	2,356
Average wastewater bill (including GST)	1,119	1,278	1,529	1,752	2,036	2,340	2,340	2,312	2,285	2,228
Average stormwater bill (including GST)	212	261	296	280	313	334	353	368	380	372
Average charge per connection including GST	2,398	2,762	3,140	3,728	4,323	5,010	5,113	5,084	5,046	4,956
Water services charges as % of household income	3.2%	3.6%	3.9%	4.4%	5.0%	5.6%	5.5%	5.3%	5.1%	4.8%

C2: Funding and financing arrangements

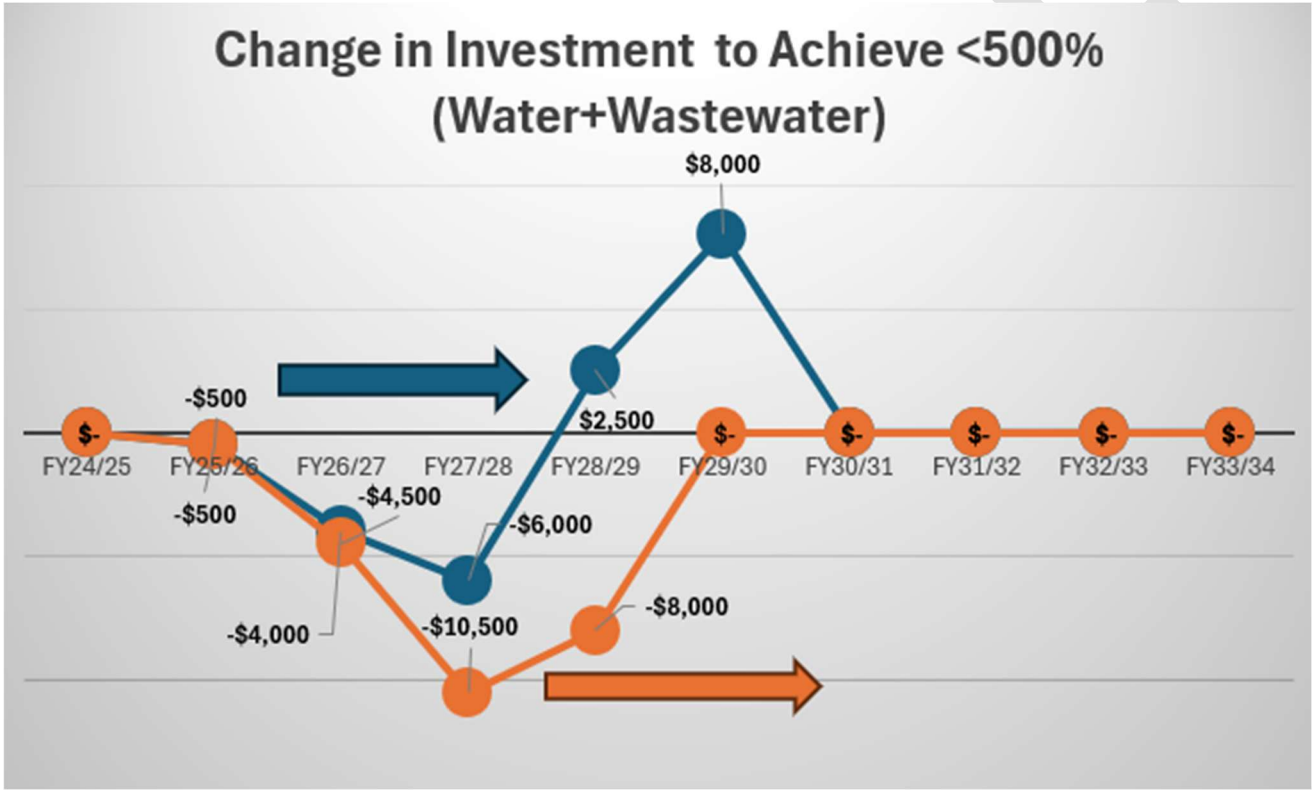
Borrowing requirements

Over the forecast period, water services are forecast to require $150m in capital investments. To support this investment, net debt increases from $52.5m in FY25 to $108.7m in FY34 (an increase of $56.2m), with the remaining funding to come from water services revenue. The tables below the borrowing requirements and net debt for water services, with net debt associated with water services transferred to the WSO in FY28.

Over the 10-year planning period TDC requires substantial capital investment to meet regulatory standards, renew service levels, and support some growth. This will necessitate significant borrowing, particularly in the first five years, with projected debt resulting in a short-term breach of the 500% debt to revenue limit in FY27 and FY28 and achievement of

the LGFA 9% FFO to debt target in FY30. When developing the LTP, this was able to be covered within Council's overall borrowing limits and measures. However, ring fencing of water services now indicate this as a breach under the new measures. In respect of options to manage this breech, slight timing changes may be possible to stay within the limits with the first three years reducing expenditure by $10.5m, and the expenditure re-instated in the following two years (refer figure below). This demonstrates that a wider review of the capital programme (at TDC and regional levels) is likely to have an impact in managing both affordability and deliverability.

Change Timing of Capital Programme	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
-$ Reduce Spend; +$ Increase Spend	$ -	-$ 500	-$ 4,000	-$ 6,000	$ 2,500	$ 8,000	$ -	$ -	$ -	$ -
Two Waters - net debt to operating revenue %	441%	498%	498%	499%	499%	485%	487%	476%	465%	457%



TDC Table 9: Borrowing requirements for water services under debt to revenue and FFO to debt requirements

Projected water services net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total operating revenue ($m)	12.4	14.1	15.5	18.6	21.7	25.4	26.1	26.2	26.2	25.9
Net debt ($m)	52.5	67.0	77.8	98.6	107.5	109.3	113.5	111.9	111.4	108.7
Debt headroom to limit ($m)	9.6	3.7	(0.2)	(5.5)	1.1	17.6	17.0	18.9	19.4	20.9
Net debt to operating revenue (%)	422%	474%	501%	530%	495%	431%	435%	428%	426%	419%

Projected water services debt headroom (FFO)	**FY24/25**	**FY25/26**	**FY26/27**	**FY27/28**	**FY28/29**	**FY29/30**	**FY30/31**	**FY31/32**	**FY32/33**	**FY33/34**
Water services FFO covenant (LGFA)	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Free funds from operations (LGFA)	3,592	5,330	6,545	5,665	7,744	10,926	11,346	11,193	11,143	10,870
Net debt ($000)	52,479	66,999	77,850	98,565	107,487	109,262	113,456	111,929	111,429	108,701
Debt headroom to FFO covenant ($000s)	(12,565)	(7,782)	(5,126)	(35,615)	(21,444)	12,140	12,606	12,436	12,381	12,077

Financial strategy and debt repayment

The WSO will arrange borrowings through the LGFA, supported by a Council guarantee or uncalled capital, with the final security arrangements and financial covenants to be agreed between the participating Councils. In doing so, the expectation is the water organisation will be required to comply with two key LGFA financial covenants:

- FFO-to-debt ratio: The ratio of FFO- to-debt must remain above 9%. This metric incorporates 50% of Development Contribution revenues in the FFO calculation, based on LGFA guidance.
- Interest coverage ratio (ICR): The ICR must be maintained above 1.5x, based on LGFA covenants.

Financial projections for TDC's components of the WSO indicate that both covenants will be met over the planning horizon, targeting a 10% FFO-to-debt ratio against the LGFA covenant of 9% and an interest coverage ratio above the 1.5x covenant. TDC meets the 10% target within two years (by FY30). It meets the interest ratio covenant through the full WSDP period.

As part of its broader financial governance, TDC will continue to adhere to its Treasury Policy, which sets a whole-of-Council borrowing limit of 175% net debt to revenue. The transfer of water services to the WSO is expected to improve Council's position against this benchmark, creating additional headroom for future non-water investments. Further information is outlined in Part D.

The WSO will utilise debt financing for long-lived capital expenditure, such as infrastructure upgrades and compliance-driven projects. Short-term liquidity needs may also be met through borrowing; however, operating costs will be funded through water revenues. This approach supports intergenerational equity and aligns with sound financial management

principles. While the WSO's forecasts are structured to show debt aligned with investment needs, rather than explicitly modelling principal repayments, the debt strategy assumes the use of FFO as the primary mechanism for managing debt over time.

In practice, this means the WSO will treat its debt portfolio as a flexible facility to support ongoing investment, while using excess operational cashflows to manage debt within overall LGFA covenant limits and shareholder expectations. The focus will be on maintaining liquidity, servicing interest costs comfortably, and ensuring that debt levels remain aligned with long-term revenue capacity, infrastructure need, and intergenerational equity. By maintaining debt within its borrowing limits and targeting FFO, the WSO can manage its debt exposure without prematurely constraining its investment programme or placing undue burden on current ratepayers.

Comprehensive treasury and financing policies will be developed as part of the transition as part of the financial and commercial workstream. This will include policies for managing liquidity and interest rate risks, and arrangements for transactional banking, working capital and loan facilities.

Internal borrowing

TDC uses internal borrowing to fund capital expenditure for three waters activities. All transactions are recorded, and borrowings are tracked separately for each water, wastewater, and stormwater scheme. Principal and interest payments are monitored at both a project and activity level, ensuring accurate debt attribution and financial transparency. Because internal borrowings, repayments, and interest are accounted for individually by service activity, the ringfencing of three waters costs, revenues, and debt is maintained in preparation for upcoming regulatory requirements. This approach will remain in place for as long as Council continues to deliver water services directly. Interest on internal borrowings is charged at forecast deposit investment rate.

Attribution of debt related to water services

Water, wastewater and stormwater costs are not allocated between urban and rural ratepayers. A "network" approach or "District Wide" charging system is applied to ensure small communities are able to meet compliance and service requirements.

As of 30 June 2024, the Council's total internal and external debt for all three waters was $41.74 m. This is projected by Council to rise under the Council's current borrowing policy to $52.5m on 30 June 2025 and up to $67m by 30 June 2026. This will differ to the projections applying the new financial sustainability requirements, where depreciation will not be funded and funds from operation target will drive the pricing model of fees and charges, and resulting debt profile.

Insurance arrangements

Council has insurance for its above-ground three-water assets, including treatment plants and reservoirs, through its property portfolio on a full replacement value basis. This policy covers material damage and is based on market and valuation data. Below-ground assets, such as water, wastewater, and stormwater reticulation networks, are insured through tenders managed through a contract with MW LASS Limited and AON as broker. This provides disaster cover for up to 40% of the asset valuation, in accordance with national cost-sharing arrangements for underground infrastructure. Council provides updated asset data, including GIS layers, condition attributes, and replacement valuations, to support renewal assessments and reinsurance through the London insurance markets.

Council renews its insurance policies for water services assets on an annual basis. To support these renewals, risk scenarios and maximum probable loss modelling have been undertaken to inform cover levels and balance between risk exposure and insurance needs.

Water services assets are revalued on an annual basis, with above-ground and below-ground assets valued separately. Assets were most recently revalued as of 30 June 2024 with 30 June 2025 about to commence. Valuations form the basis for insured values, supported by asset information.

Responsibility for managing water services insurance is delegated to the Chief Financial Officer.

Following transition, the WSO will be the asset-owning entity and will therefore be responsible for holding appropriate insurance policies for water services assets, conducting valuations, and developing risk and insurance management policies. The WSO will need some new insurances not currently held by Councils e.g., Directors' and Officers' liability cover. WSO insurance requirements will be developed through the financial and commercial transition workstream.

Part D: Financial sustainability assessment

Note for reader

Part A confirms the financial sustainability of the WSO by 30 June 2028. Given the decision to adopt cost-to-serve pricing, this Part D section refers to the financial sustainability of TDC within the WSO. Financial statements included as Part F provide the detail to support the statements regarding the WSO's financial sustainability.

Revenue projections are based on revenue required to meet the Council's investment plans as set out in latest LTPs or Annual Plans, with a transition to a WSO in FY28 for water services. Additional operating costs are included for the WSO to ensure adequate allowance for overheads, financing costs, and additional overheads associated with a WSO (e.g. Board, management and audit costs). A copy of the underlying assumptions can be found in Appendix 2.

D1: Confirmation of financially sustainable delivery of water services

This Part D confirms that TDC, within the WSO, achieves the financially sustainable delivery of water services by 30 June 2028.

Revenue sufficiency

TDC within the WSO (from FY28) is projected to generate sufficient revenue to meet the full cost of water services delivery, including operating expenditure, asset renewals, and debt servicing. This is underpinned by a shift to a WSO with a target capital structure generating sufficient revenues over the forecast period.

Operating surpluses over the 10-year period are forecast at $22.9m. TDC has an operating deficit in year 1 of the WSDP period and year 1 of the WSO's operation, with operating surpluses in other years through the period. These are accounting, not cash, deficits driven by the full funding of depreciation – the WSO will not fund depreciation from cash as the Council does now and will use debt funding to more equitably spread the cost of investment. Operating cashflow surpluses over the period are forecast at $133.2m, underpinned by price increases, providing sufficient headroom to meet interest costs and liquidity needs.

For the Council, average water charges per connection are forecast to increase from $2,432 in FY25 to $5,045 in FY34 (in nominal (inflated) terms, or $3,949 in real (uninflated) terms), which represents around 4.9% of median household income in the district. These charges reach challenging levels for the community and the WSO, through the development of the Water Services Strategy, will need to consider how the capital programme could be rephased or prioritised to manage affordability, deliverability and efficiency.

Investment sufficiency

The WSDP includes $150 million in forecast capital investment over the 10-year period. This programme includes:

- Renewals to maintain existing levels of service and asset reliability
- Upgrades to achieve compliance with drinking water standards and to improve network resilience
- Growth-related projects to service projected increases in demand.

TDC requires substantial infrastructure upgrades to meet drinking water, wastewater, and stormwater performance expectations. These investments are currently planned to be relatively front-loaded, with critical work needed in the early years to address increased resilience, infiltration and losses resulting from aging water main and the end-of-life of clay wastewater pipes.

Wastewater consent expiries require additional investment, and this investment can be re-assessed once the new regulatory and engineering design standards are bedded down. The need for new water-take consents may be affected by an over-allocation of water take by the Regional Council. Proceeding with the installation of universal metering will provide demonstration of both water demand management, leak identification and improve back flow prevention as tobies are replaced.

The proposed investment meets the investment sufficiency test and is fully funded by forecast revenues and access to finance. The projects in the proposed programme have been determined and prioritised by detailed engineering hydraulic modelling by WSP and Woods Consultants, multi criteria analysis for project option prioritisation, reassessment by independent engineering consultants, cross referencing to ten years of in-house full-time condition assessment by underground CCTV camera inspection. Further engineering design by national dam experts, Tonkin and Taylor, Dam Watch and Lutra for the Dannevirke impounded water supply dam. This has been complemented by stormwater Infiltration and inflow studies by Leak Detection Services and many years of studies.

Significant work has been completed on developing a new District Plan that will support growth (set out in Appendix 4). This depended on new town LiDAR in the four main towns and flood plane modelling at various at-risk locations in Dannevirke, and all of Woodville and Pahiatua.

Financing sufficiency

Over the WSDP period, over $150 million of capital investment is forecast, with approximately $56.2 million of this expected to be debt funded, with total debt reaching around $108.7 million in FY34. Both the Council, and the WSO once established, can manage the borrowing required within the applicable limits over a reasonable transition period, as modelled and presented later in this Part and Part E of the WSDP.

Borrowing by the WSO, once established, will be undertaken through the LGFA and guaranteed by the participating Councils while targeting or maintaining an FFO-to-debt ratio of 10%, compared to the LGFA covenant of 9%, and maintaining an interest coverage ratio above the 1.5x covenant. TDC will meet the targeted 10% FFO to debt ratio by FY30 and the ICR requirement from FY28.

Projected water services debt headroom (FFO)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Water services FFO covenant (LGFA)	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Free funds from operations (LGFA)	3,592	5,330	6,545	5,665	7,744	10,926	11,346	11,193	11,143	10,870
Net debt ($000)	52,479	66,999	77,850	98,565	107,487	109,262	113,456	111,929	111,429	108,701
Debt headroom to FFO covenant ($000s)	(12,565)	(7,782)	(5,126)	(35,615)	(21,444)	12,140	12,606	12,436	12,381	12,077

Actions to achieve financially sustainable delivery of water services

To ensure the delivery of financially sustainable water services by 30 June 2028, the Council is transitioning water services to a WSO to better manage investment, maintain affordability for ratepayers, and support intergenerational equity in funding and service delivery. All water services will achieve financial sustainability requirements by FY28.

Risks to achieving financially sustainable water services

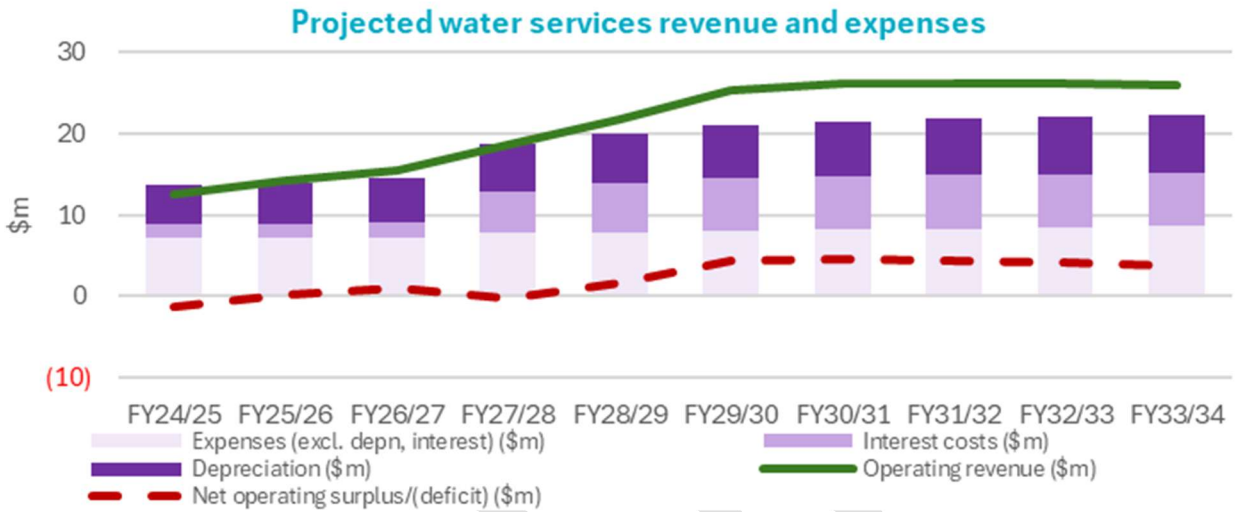
There are several risks to financially sustainable services, which are common across the four Partner Councils:

- **Cost escalation** - actual costs, particularly for large projects, may exceed estimates. Factors contributing to this include rising construction costs, increased material and labour prices, and changes in project scope due to unforeseen asset conditions.
- **Inflation and interest rate volatility** - Higher-than-forecast inflation or adverse interest rate movements may increase the cost of borrowing, placing upward pressure on water charges. Rapid rate increases or extended high-rate environments could affect financial sustainability and constrain future capital investment or lead to price increases.
- **Revenue constraints and affordability** - projected price paths are designed to balance cost recovery with community affordability. However, sustained increases in charges may encounter public resistance, particularly among fixed-income households. Any delays or political adjustments to planned price increases could create funding shortfalls.
- **Regulatory shocks** - new or revised drinking water, wastewater, or stormwater regulations could trigger additional unplanned investment. More stringent compliance measures introduced within the forecast period could impact both operating costs and capital priorities.
- **Supply chain constraints** - availability of skilled staff, contractors, engineers, and materials could impact the Council's and WSO's ability to deliver the capital programme on time. This has already been observed during past weather and pandemic events. Delays can lead to cost inflation and deferment of service improvements.
- **Incomplete or evolving asset data** - investment decisions are based on the best available asset condition data, but gaps or outdated information could lead to misalignment between investment timing and actual asset needs. This could result in inefficient allocation of capital or emergency spending.
- **Transition and governance risks** - establishment of a new WSO involves changes in governance, systems, and accountability. Any delays or misalignment in these transitions, particularly around financial systems or staffing, could temporarily affect delivery capacity or financial controls.
- **Climate change and resilience** – climate change poses increasing risks to water services through more frequent extreme weather events, rising sea levels, and changing rainfall patterns. Natural disaster risks, such as earthquakes, also pose significant risk to water services. These impacts can damage assets, raise costs, and disrupt service delivery. Building resilience into planning and asset management will help avoid unplanned costs and protect service reliability.

D2: Financial sustainability assessment - revenue sufficiency

TDC within the WSO (from FY28) is projected to generate sufficient revenue to meet the full cost of water services delivery, including operating expenditure, asset renewals, and debt servicing. This is underpinned by a shift to a WSO with a target capital structure generating sufficient revenues over the forecast period, with water services generating cumulative operating surplus ratio of 10.8% of operating revenues, indicating sufficient revenues to meet expenses.

Operating surpluses over the 10-year period are forecast at $22.9 million - TDC has a small operating deficit in year 1 of the WSDP and year 1 of the WSO but generates operating surpluses for the remainder of the period TDC generates cash surpluses through the period of $133.2m, providing sufficient headroom to meet interest costs and liquidity needs.



Average projected charges for water services

For the Council, average water charges per connection are forecast to increase from $2,432 in FY25 to $5,045 in FY34 (in nominal (inflated) terms, of $3,949 in real (uninflated) terms), which represents around 4.9% of median household income in the district. These charges are at challenging levels for the community levels for the community and the WSO, through the development of the Water Services Strategy, will need to consider how the capital programme (both for TDC and a regional level) could be rephased or prioritised to manage affordability, deliverability and efficiency. In particular, the changes to engineering services standards may allow for reduced cost of proposed capital works. Changing timing of projects including spreading costs over a longer timeframe could have a significant improvement on affordability, as could regional joint procurement and planning of investment programmes, including identifying new opportunities to deliver regional solutions at lower costs.

TDC Table 11: Average projected charges for water services

Average charge per connection including GST	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Average drinking water bill (including GST)	1,139	1,306	1,405	1,810	2,108	2,494	2,584	2,567	2,543	2,515
Average wastewater bill (including GST)	1,103	1,260	1,507	1,728	2,007	2,307	2,307	2,279	2,253	2,197
Average stormwater bill (including GST)	189	233	265	251	280	299	316	330	340	333
Average charge per connection including GST	2,432	2,799	3,176	3,789	4,395	5,100	5,206	5,175	5,135	5,045
Projected increase	20.0%	15.1%	13.5%	19.3%	16.0%	16.0%	2.1%	-0.6%	-0.8%	-1.8%
Projected number of connections* Please note that connection numbers continually change as new connections are added or removed.	5,500	5,544	5,589	5,633	5,678	5,724	5,770	5,816	5,862	5,909

Projected operating surpluses/(deficits) for water services

TDC Table 12: Projected operating surpluses/(deficits) for water services

Operating surplus ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) excluding capital revenues	(1,238)	185	1,031	(133)	1,682	4,451	4,683	4,355	4,133	3,704	22,854
Total operating revenue	12,423	14,132	15,528	18,607	21,725	25,369	26,099	26,156	26,166	25,928	212,135
Operating surplus ratio	(10.0%)	1.3%	6.6%	(0.7%)	7.7%	17.5%	17.9%	16.7%	15.8%	14.3%	10.8%

Projected operating cash surpluses for water services

TDC Table 13: Projected operating cash surpluses for water services

Operating cash ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Operating surplus/(deficit) + depreciation + interest costs - capital revenue	5,139	6,878	8,381	10,867	13,818	17,315	17,907	17,831	17,719	17,350	133,205
Total operating revenue	12,423	14,132	15,528	18,607	21,725	25,369	26,099	26,156	26,166	25,928	212,135
Operating cash ratio	41.4%	48.7%	54.0%	58.4%	63.6%	68.3%	68.6%	68.2%	67.7%	66.9%	62.8%

D3: Financial sustainability assessment - investment sufficiency

The WSDP includes $150.4 million in forecast capital investment over the 10-year period (Real value in 2024 of $134m). This programme is based on the Council's 2024/34 LTP and Infrastructure Strategy. This programme includes:

- Renewals to maintain existing levels of service and asset reliability
- Upgrades to achieve compliance with drinking water standards and to improve network resilience
- Growth-related projects to service projected increases in demand

Within this overall programme, $101.3 million is allocated for renewals, against ten-year depreciation charges of $61.5 million, and $49 million investment is provided for improving levels of service and growth. Total proposed water services infrastructure investment is 2.5 times depreciation charges over the period. Significant debt financing and increases in water rates/charges are needed over ten years to fund this level of investment.

Advanced Climate and Technical Modelling

Our planning goes beyond basic assessments to incorporate the most current climate science and technical standards:

Climate Resilience Planning:

Full United Nations International Panel on Climate Change AR6 RCP8.5 1:200-year flood modelling completed for Woodville and Pahiatua

This represents the most comprehensive flood risk assessment, accounting for severe climate change scenarios

LiDAR mapping completed to support accurate growth studies and District Plan development

Comprehensive System Analysis:

Hydraulic modelling completed for all four major towns covering water, wastewater, and stormwater systems

Development of an integrated "three waters masterplan"

This technical foundation provides the planning maturity needed for strategic residential wastewater pipeline renewals

Note: Our District Plan development is currently on hold while central government finalizes Resource Management Act policy changes.

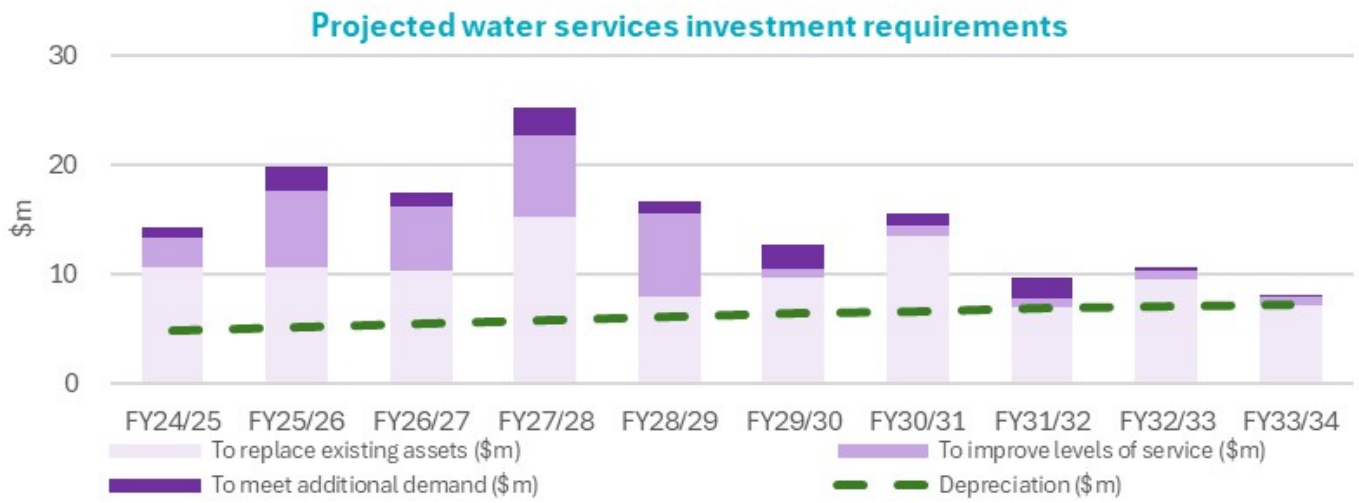
Fully Funded $150 Million Investment Programme

Financial Sustainability: This programme meets all sufficiency tests and is fully funded through:

- Strategic revenue increases
- Secure access to financing options

Independent Validation: Our evidence-based approach has been rigorously validated by Audit New Zealand. During their detailed review of our asset renewal programme as part of the Long-Term Plan audit, we received a **clear audit opinion**.

This independent endorsement confirms our $150 million capital programme (in nominal, inflated dollars) will ensure our water services infrastructure continues to serve our communities reliably into the future.



Renewals requirements for water services

TDC Table 14: Renewal requirements for water services

Asset sustainability ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure on renewals	10,581	10,680	10,333	15,264	7,895	9,608	13,438	6,984	9,527	7,082	101,392
Depreciation	4,830	5,145	5,514	5,798	6,062	6,475	6,662	6,838	7,010	7,166	61,500
Asset sustainability ratio	119.1%	107.6%	87.4%	163.2%	30.2%	48.4%	101.7%	2.1%	35.9%	(1.2%)	64.9%

Total required water services investment

TDC Table 15: Total water services investment

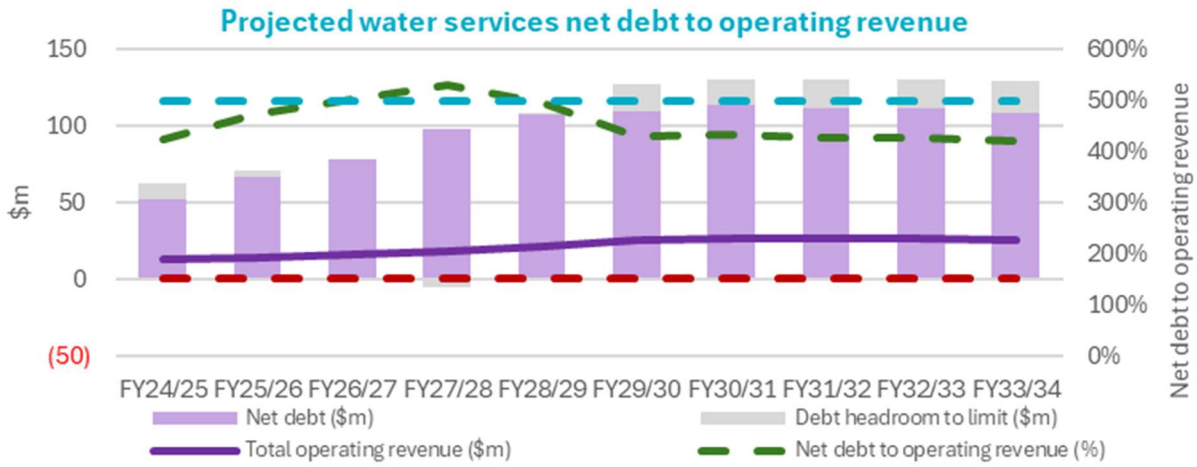
Asset investment ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34	Total
Capital expenditure	14,330	19,850	17,396	25,130	16,666	12,701	15,539	9,666	10,642	8,142	150,062
Depreciation	4,830	5,145	5,514	5,798	6,062	6,475	6,662	6,838	7,010	7,166	61,500
Asset investment ratio	196.7%	285.8%	215.5%	333.4%	174.9%	96.2%	133.2%	41.4%	51.8%	13.6%	144.0%

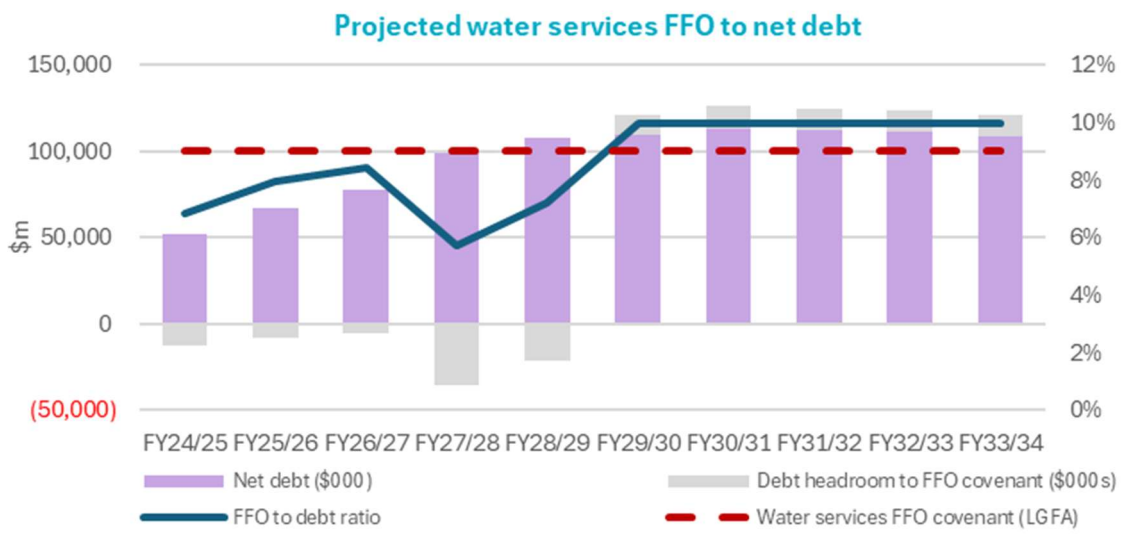
Average remaining useful life of network assets

TDC Table 16: Average remaining useful life of network assets

Asset consumption ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Book value of infrastructure assets	193,761	208,466	230,047	249,379	272,608	278,835	301,256	304,085	322,488	323,464
Total estimated replacement value of infrastructure assets	359,213	379,063	414,095	439,226	478,128	490,829	530,211	539,877	576,745	584,886
Asset consumption ratio	53.9%	55.0%	55.6%	56.8%	57.0%	56.8%	56.8%	56.3%	55.9%	55.3%

D4: Financial sustainability assessment - financing sufficiency





Projected Council borrowings and borrowings for water services

Over the WSDP period, the Council's net debt builds to levels close to the LGFA 175% covenant limit, driven by the large water services investment in the first five years of the WSDP. Although notably the Council does remain within these limits even with the significant programme. Following transfer to the WSO, the Council's balance sheet pressure is substantially eased, and additional headroom of $66m by FY34. This headroom could be used to fund other Council projects currently projected to be revenue funded, improve financial resilience and/or used to offset projected rates increases – the Council will need to consider affordability for the community in considering how the additional debt headroom is allocated, given the projected large cost increases that the WSO will need in order to deliver financially sustainable water services.

Projected water services borrowing requirements operate close to or exceeding 500% over the WSDP period. Changes in timing of investment of $10m within the first five years could keep water and wastewater investment within 500%. Whether timing changes are made or not within the first five years, compliance is achieved in the years 6 to 10, driven by revenue increases over the period. The transfer of TDC's water services into a WSO shows that the full $150 million water services capital investment requirement to be funded sustainably, with TDC within the WSO reaching targeted LGFA covenant levels by FY30 in the WSDP period.

Projected borrowings for water services

TDC Table 17: Projected borrowings for water services

Projected water services net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total operating revenue ($m)	12.4	14.1	15.5	18.6	21.7	25.4	26.1	26.2	26.2	25.9
Net debt ($m)	52.5	67.0	77.8	98.6	107.5	109.3	113.5	111.9	111.4	108.7
Debt headroom to limit ($m)	9.6	3.7	(0.2)	(5.5)	1.1	17.6	17.0	18.9	19.4	20.9
Net debt to operating revenue (%)	422%	474%	501%	530%	495%	431%	435%	428%	426%	419%

TDC Table 18: Projected borrowing headroom/(shortfall) for water services

Projected water services debt headroom (FFO)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Water services FFO covenant (LGFA)	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
Free funds from operations (LGFA)	3,592	5,330	6,545	5,665	7,744	10,926	11,346	11,193	11,143	10,870
Net debt ($000)	52,479	66,999	77,850	98,565	107,487	109,262	113,456	111,929	111,429	108,701
Debt headroom to FFO covenant ($000s)	(12,565)	(7,782)	(5,126)	(35,615)	(21,444)	12,140	12,606	12,436	12,381	12,077

Free funds from operations

The WSO will borrow from the LGFA, guaranteed by the participating Councils (with the form of the guarantee to be agreed through transition), under the following limits:

- Targeting or maintaining an FFO-to-debt ratio of 10%, compared to the LGFA covenant of 9%.
- Maintaining an interest coverage ratio above the 1.5x covenant.

TDC within the WSO will meet the targeted 10% FFO to debt ratio by FY30 and the ICR requirement from transition.

TDC Table 19: Free funds from operations

Free funds from operations (FFO) to debt ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Total net debt	52,479.5	66,999.5	77,849.9	98,564.8	107,487.4	109,262.1	113,456.0	111,929.3	111,428.8	108,700.5
Funds from operations	3,592.3	5,329.6	6,545.1	5,665.5	7,743.9	10,926.2	11,345.6	11,192.9	11,142.9	10,870.0
FFO to debt ratio	6.8%	8.0%	8.4%	5.7%	7.2%	10.0%	10.0%	10.0%	10.0%	10.0%

Part E: Projected financial statements for water services

TDC Table 20: Funding impact statement – water services

Funding impact statement ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding											
General rates		288	303	342	367	397	427	445	404	407	412
Targeted rates		11,240	13,074	14,967	18,017	21,101	24,711	25,418	25,512	25,514	25,258
Subsidies and grants for operating purposes		681	541	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts		3	0	1	0	0	0	0	0	0	9
Fees and charges		210	214	218	223	227	232	236	240	245	249
Total operating funding		12,423	14,132	15,528	18,607	21,725	25,369	26,099	26,156	26,166	25,928
Applications of operating funding											
Payments to staff and suppliers		5,876	5,738	5,575	6,126	6,255	6,372	6,480	6,577	6,673	6,771
Finance costs		1,546	1,549	1,835	5,201	6,074	6,389	6,562	6,638	6,576	6,480
Internal charges and overheads applied		1,408	1,516	1,573	1,615	1,652	1,683	1,711	1,749	1,774	1,807
Other operating funding applications		0	0	0	0	0	0	0	0	0	0
Total applications of operating funding		8,830	8,803	8,983	12,942	13,981	14,443	14,753	14,963	15,023	15,058
Surplus/(deficit) of operating funding		3,592	5,330	6,545	5,665	7,744	10,926	11,346	11,193	11,143	10,870
Sources of capital funding											
Subsidies and grants for capital expenditure		0	0	0	0	0	0	0	0	0	0
Development and financial contributions		0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt		7,177	9,619	5,151	10,297	7,292	341	89	2,946	3,002	5,328
Gross proceeds from sales of assets		0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding		0	0	0	0	0	0	0	0	0	0
Total sources of capital funding		7,177	9,619	5,151	10,297	7,292	341	89	2,946	3,002	5,328
Applications of capital funding											
Capital expenditure - to meet additional demand		995	2,190	1,277	2,494	1,100	2,202	1,166	1,902	252	256
Capital expenditure - to improve levels of services		2,754	6,979	5,786	7,373	7,671	890	936	780	864	804
Capital expenditure - to replace existing assets		10,581	10,680	10,333	15,264	7,895	9,608	13,438	6,984	9,527	7,082
Increase/(decrease) in reserves		(3,561)	(4,901)	(5,699)	(10,418)	(1,631)	(1,433)	(4,105)	4,473	3,503	8,056
Increase/(decrease) in investments		0	0	0	1,250	0	0	0	0	0	0
Total applications of capital funding		10,769	14,948	11,696	15,963	15,036	11,267	11,435	14,139	14,145	16,198
Surplus/(deficit) of capital funding		(3,592)	(5,330)	(6,545)	(5,665)	(7,744)	(10,926)	(11,346)	(11,193)	(11,143)	(10,870)
Funding balance		0	0	0	0	0	0	0	0	0	0

TDC Table 21: Funding impact statement – drinking water

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	5,330	6,161	6,679	8,675	10,184	12,145	12,681	12,698	12,680	12,645
Subsidies and grants for operating purposes	294	294	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	0	0	0	0	0	0	0	0	0	0
Fees and charges	4	4	4	4	4	4	5	5	5	5
Total operating funding	5,629	6,459	6,683	8,679	10,188	12,149	12,686	12,703	12,685	12,650
Applications of operating funding										
Payments to staff and suppliers	2,832	2,884	2,658	2,920	2,981	3,037	3,089	3,134	3,181	3,227
Finance costs	775	712	755	2,224	2,481	2,502	2,478	2,434	2,358	2,239
Internal charges and overheads applied	621	666	692	711	728	742	754	771	782	797
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	4,227	4,261	4,105	5,855	6,190	6,281	6,320	6,340	6,320	6,263
Surplus/(deficit) of operating funding	1,401	2,198	2,578	2,825	3,998	5,869	6,365	6,363	6,365	6,387
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	5,903	4,422	653	3,354	1,557	(184)	(1,153)	2,022	785	1,495
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	5,903	4,422	653	3,354	1,557	(184)	(1,153)	2,022	785	1,495
Applications of capital funding										
Capital expenditure - to meet additional demand	457	1,414	476	1,939	524	1,602	542	1,658	0	0
Capital expenditure - to improve levels of services	1,227	1,711	998	1,360	1,730	741	882	726	810	750
Capital expenditure - to replace existing assets	7,948	7,623	6,679	10,928	3,809	5,382	9,581	3,510	5,179	3,092
Increase/(decrease) in reserves	(2,327)	(4,128)	(4,923)	(8,667)	(508)	(2,040)	(5,792)	2,491	1,162	4,041
Increase/(decrease) in investments	0	0	0	619	0	0	0	0	0	0
Total applications of capital funding	7,305	6,620	3,231	6,179	5,554	5,684	5,213	8,385	7,150	7,882
Surplus/(deficit) of capital funding	(1,401)	(2,198)	(2,578)	(2,825)	(3,998)	(5,869)	(6,365)	(6,363)	(6,365)	(6,387)
Funding balance	0	0	0	0	0	0	0	0	0	0

TDC Table 22: Funding impact statement – wastewater

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	288	303	342	367	397	427	445	404	407	412
Targeted rates	4,983	5,763	6,972	8,086	9,504	11,043	11,115	11,109	11,063	10,862
Subsidies and grants for operating purposes	387	247	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	2	0	0	0	0	0	0	0	0	9
Fees and charges	204	207	212	216	221	225	229	233	238	242
Total operating funding	5,864	6,520	7,526	8,669	10,122	11,695	11,789	11,747	11,708	11,525
Applications of operating funding										
Payments to staff and suppliers	2,739	2,543	2,599	2,850	2,910	2,964	3,015	3,060	3,105	3,151
Finance costs	691	755	987	2,644	3,205	3,455	3,603	3,697	3,695	3,686
Internal charges and overheads applied	553	595	618	634	649	661	673	687	697	710
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	3,984	3,894	4,203	6,128	6,764	7,080	7,290	7,444	7,498	7,548
Surplus/(deficit) of operating funding	1,881	2,627	3,323	2,541	3,358	4,614	4,499	4,303	4,210	3,977
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	1,097	5,024	4,329	6,637	5,521	(202)	886	598	1,616	2,603
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	1,097	5,024	4,329	6,637	5,521	(202)	886	598	1,616	2,603
Applications of capital funding										
Capital expenditure - to meet additional demand	281	514	532	555	577	601	624	244	252	256
Capital expenditure - to improve levels of services	1,527	5,268	4,788	6,014	5,941	149	54	54	54	54
Capital expenditure - to replace existing assets	2,305	2,724	2,520	3,457	3,192	3,235	2,900	2,534	3,368	2,981
Increase/(decrease) in reserves	(1,134)	(855)	(188)	(1,306)	(831)	427	1,808	2,069	2,152	3,289
Increase/(decrease) in investments	0	0	0	459	0	0	0	0	0	0
Total applications of capital funding	2,978	7,651	7,652	9,178	8,878	4,412	5,385	4,900	5,826	6,580
Surplus/(deficit) of capital funding	(1,881)	(2,627)	(3,323)	(2,541)	(3,358)	(4,614)	(4,499)	(4,303)	(4,210)	(3,977)
Funding balance	0	0	0	0	0	0	0	0	0	0

TDC Table 23: Funding impact statement – stormwater

Funding impact statement ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	927	1,150	1,316	1,257	1,413	1,523	1,622	1,704	1,771	1,750
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	1	0	1	0	0	0	0	0	0	0
Fees and charges	2	2	2	2	2	2	2	2	2	2
Total operating funding	930	1,153	1,319	1,259	1,415	1,526	1,624	1,707	1,773	1,752
Applications of operating funding										
Payments to staff and suppliers	305	311	318	357	364	371	377	382	387	393
Finance costs	81	82	94	333	388	431	482	507	524	555
Internal charges and overheads applied	234	255	263	269	275	280	285	290	295	300
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	619	648	675	959	1,027	1,082	1,143	1,180	1,206	1,247
Surplus/(deficit) of operating funding	310	505	644	300	388	443	481	527	568	505
Sources of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	176	172	169	306	214	728	356	327	601	1,230
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	176	172	169	306	214	728	356	327	601	1,230
Applications of capital funding										
Capital expenditure - to meet additional demand	257	262	268	0	0	0	0	0	0	0
Capital expenditure - to improve levels of services	0	0	0	0	0	0	0	0	0	0
Capital expenditure - to replace existing assets	328	333	1,134	878	894	992	957	941	980	1,009
Increase/(decrease) in reserves	(99)	82	(588)	(445)	(291)	179	(120)	(87)	189	727
Increase/(decrease) in investments	0	0	0	172	0	0	0	0	0	0
Total applications of capital funding	486	677	814	606	603	1,171	837	854	1,169	1,736
Surplus/(deficit) of capital funding	(310)	(505)	(644)	(300)	(388)	(443)	(481)	(527)	(568)	(505)
Funding balance	0	0	0	0	0	0	0	0	0	0

TDC Table 24: Projected statement of comprehensive revenue and expenses – water services

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	12,423	14,132	15,528	18,607	21,725	25,369	26,099	26,156	26,166	25,928
Other revenue	0	0	0	0	0	0	0	0	0	0
Total revenue	12,423	14,132	15,528	18,607	21,725	25,369	26,099	26,156	26,166	25,928
Operating expenses	5,876	5,738	5,575	6,126	6,255	6,372	6,480	6,577	6,673	6,771
Finance costs	1,546	1,549	1,835	5,201	6,074	6,389	6,562	6,638	6,576	6,480
Overheads and support costs	1,408	1,516	1,573	1,615	1,652	1,683	1,711	1,749	1,774	1,807
Depreciation & amortisation	4,830	5,145	5,514	5,798	6,062	6,475	6,662	6,838	7,010	7,166
Total expenses	13,660	13,948	14,497	18,740	20,043	20,918	21,416	21,801	22,034	22,224
Net surplus / (deficit)	(1,238)	185	1,031	(133)	1,682	4,451	4,683	4,355	4,133	3,704
Revaluation of infrastructure assets	5,019	0	9,699	0	12,625	0	13,545	0	14,771	0
Total comprehensive income	3,781	185	10,731	(133)	14,307	4,451	18,228	4,355	18,904	3,704
Cash surplus / (deficit) from operations (excl depreciation)	3,592	5,330	6,545	5,665	7,744	10,926	11,346	11,193	11,143	10,870

TDC Table 25: projected statement of comprehensive revenue and expenses – drinking water

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	5,629	6,459	6,683	8,679	10,188	12,149	12,686	12,703	12,685	12,650
Other revenue	0	0	0	0	0	0	0	0	0	0
Total revenue	5,629	6,459	6,683	8,679	10,188	12,149	12,686	12,703	12,685	12,650
Operating expenses	2,832	2,884	2,658	2,920	2,981	3,037	3,089	3,134	3,181	3,227
Finance costs	775	712	755	2,224	2,481	2,502	2,478	2,434	2,358	2,239
Overheads and support costs	621	666	692	711	728	742	754	771	782	797
Depreciation & amortisation	2,251	2,429	2,594	2,708	2,817	2,930	3,020	3,105	3,193	3,265
Total expenses	6,479	6,691	6,699	8,563	9,007	9,210	9,341	9,445	9,512	9,528
Net surplus / (deficit)	(850)	(231)	(16)	116	1,181	2,939	3,345	3,258	3,172	3,122
Revaluation of infrastructure assets	2,413	0	4,852	0	6,389	0	6,832	0	7,687	0
Total comprehensive income	1,563	(231)	4,836	116	7,571	2,939	10,177	3,258	10,859	3,122
Cash surplus / (deficit) from operations (excl depreciation)	1,401	2,198	2,578	2,825	3,998	5,869	6,365	6,363	6,365	6,387

TDC Table 26: projected statement of comprehensive revenue and expenses – wastewater

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	5,864	6,520	7,526	8,669	10,122	11,695	11,789	11,747	11,708	11,525
Other revenue	0	0	0	0	0	0	0	0	0	0
Total revenue	5,864	6,520	7,526	8,669	10,122	11,695	11,789	11,747	11,708	11,525
Operating expenses	2,739	2,543	2,599	2,850	2,910	2,964	3,015	3,060	3,105	3,151
Finance costs	691	755	987	2,644	3,205	3,455	3,603	3,697	3,695	3,686
Overheads and support costs	553	595	618	634	649	661	673	687	697	710
Depreciation & amortisation	2,099	2,216	2,405	2,559	2,700	2,986	3,070	3,148	3,220	3,291
Total expenses	6,083	6,109	6,608	8,687	9,465	10,067	10,360	10,592	10,718	10,839
Net surplus / (deficit)	(218)	411	918	(17)	657	1,628	1,429	1,155	990	687
Revaluation of infrastructure assets	1,882	0	3,601	0	4,754	0	5,181	0	5,442	0
Total comprehensive income	1,664	411	4,519	(17)	5,411	1,628	6,610	1,155	6,432	687
Cash surplus / (deficit) from operations (excl depreciation)	1,881	2,627	3,323	2,541	3,358	4,614	4,499	4,303	4,210	3,977

TDC Table 27: projected statement of comprehensive revenue and expenses – stormwater

Statement of comprehensive revenue and expense ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	930	1,153	1,319	1,259	1,415	1,526	1,624	1,707	1,773	1,752
Other revenue	0	0	0	0	0	0	0	0	0	0
Total revenue	930	1,153	1,319	1,259	1,415	1,526	1,624	1,707	1,773	1,752
Operating expenses	305	311	318	357	364	371	377	382	387	393
Finance costs	81	82	94	333	388	431	482	507	524	555
Overheads and support costs	234	255	263	269	275	280	285	290	295	300
Depreciation & amortisation	480	500	515	531	545	559	572	585	598	610
Total expenses	1,099	1,148	1,190	1,491	1,572	1,641	1,715	1,764	1,803	1,857
Net surplus / (deficit)	(170)	5	130	(232)	(157)	(116)	(91)	(58)	(30)	(105)
Revaluation of infrastructure assets	724	0	1,247	0	1,482	0	1,532	0	1,642	0
Total comprehensive income	555	5	1,376	(232)	1,325	(116)	1,441	(58)	1,612	(105)
Cash surplus / (deficit) from operations (excl depreciation)	310	505	644	300	388	443	481	527	568	505

TDC Table 28: projected statement of cashflows – water services

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	3,592	5,330	6,545	5,665	7,744	10,926	11,346	11,193	11,143	10,870
[other items]										
Net cashflows from operating activities	3,592	5,330	6,545	5,665	7,744	10,926	11,346	11,193	11,143	10,870
Cashflows from investment activities										
[other items]	0	0	0	(1,250)	0	0	0	0	0	0
Capital expenditure	(14,330)	(19,850)	(17,396)	(25,130)	(16,666)	(12,701)	(15,539)	(9,666)	(10,642)	(8,142)
Net cashflows from investment activities	(14,330)	(19,850)	(17,396)	(26,380)	(16,666)	(12,701)	(15,539)	(9,666)	(10,642)	(8,142)
Cashflows from financing activities										
New borrowings	10,737	14,520	10,850	20,715	8,923	1,775	4,194	(1,527)	(501)	(2,728)
Repayment of borrowings										
Net cashflows from financing activities	10,737	14,520	10,850	20,715	8,923	1,775	4,194	(1,527)	(501)	(2,728)
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)
Cash and cash equivalents at end of year	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)

TDC Table 29: projected statement of cashflows – drinking water

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	1,401	2,198	2,578	2,825	3,998	5,869	6,365	6,363	6,365	6,387
[other items]										
Net cashflows from operating activities	1,401	2,198	2,578	2,825	3,998	5,869	6,365	6,363	6,365	6,387
Cashflows from investment activities										
[other items]				(619)						
Capital expenditure	(9,632)	(10,749)	(8,153)	(14,226)	(6,063)	(7,724)	(11,005)	(5,894)	(5,988)	(3,841)
Net cashflows from investment activities	(9,632)	(10,749)	(8,153)	(14,845)	(6,063)	(7,724)	(11,005)	(5,894)	(5,988)	(3,841)
Cashflows from financing activities										
New borrowings	8,231	8,551	5,576	12,021	2,065	1,856	4,640	(469)	(376)	(2,546)
Repayment of borrowings										
Net cashflows from financing activities	8,231	8,551	5,576	12,021	2,065	1,856	4,640	(469)	(376)	(2,546)

Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)
Cash and cash equivalents at end of year	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)

TDC Table 30: projected statement of cashflows – wastewater

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	1,881	2,627	3,323	2,541	3,358	4,614	4,499	4,303	4,210	3,977
[other items]										
Net cashflows from operating activities	1,881	2,627	3,323	2,541	3,358	4,614	4,499	4,303	4,210	3,977
Cashflows from investment activities										
[other items]				(459)						
Capital expenditure	(4,112)	(8,506)	(7,840)	(10,026)	(9,710)	(3,985)	(3,577)	(2,831)	(3,674)	(3,291)
Net cashflows from investment activities	(4,112)	(8,506)	(7,840)	(10,485)	(9,710)	(3,985)	(3,577)	(2,831)	(3,674)	(3,291)
Cashflows from financing activities										
New borrowings	2,232	5,879	4,517	7,943	6,352	(630)	(922)	(1,471)	(536)	(686)
Repayment of borrowings										
Net cashflows from financing activities	2,232	5,879	4,517	7,943	6,352	(630)	(922)	(1,471)	(536)	(686)
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)
Cash and cash equivalents at end of year	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)

TDC Table 31: projected statement of cashflows – stormwater

Statement of cashflows ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities										
Cash surplus / (deficit) from operations	310	505	644	300	388	443	481	527	568	505
[other items]										
Net cashflows from operating activities	310	505	644	300	388	443	481	527	568	505
Cashflows from investment activities										

[other items]	0	0	0	(172)	0	0	0	0	0	0
Capital expenditure	(585)	(595)	(1,402)	(878)	(894)	(992)	(957)	(941)	(980)	(1,009)
Net cashflows from investment activities	(585)	(595)	(1,402)	(1,051)	(894)	(992)	(957)	(941)	(980)	(1,009)
Cashflows from financing activities										
New borrowings	275	90	758	751	506	549	476	414	412	504
Repayment of borrowings										
Net cashflows from financing activities	275	90	758	751	506	549	476	414	412	504
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(586)
Cash and cash equivalents at end of year	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(586)

TDC Table 32: projected statement of financial position – water services

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)	(22,177)
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	193,761	208,466	230,047	249,379	272,608	278,835	301,256	304,085	322,488	323,464
Other non-current assets	0	0	0	1,250	1,250	1,250	1,250	1,250	1,250	1,250
Total assets	171,584	186,289	207,870	228,452	251,681	257,908	280,329	283,158	301,561	302,537
Liabilities										
Borrowings - current portion	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	30,302	44,822	55,673	76,388	85,310	87,085	91,279	89,752	89,252	86,524
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	30,302	44,822	55,673	76,388	85,310	87,085	91,279	89,752	89,252	86,524
Net assets	141,281	141,466	152,197	152,064	166,371	170,822	189,050	193,405	212,309	216,013
Equity										
Revaluation reserve	5,019	5,019	14,718	14,718	27,343	27,343	40,888	40,888	55,659	55,659
Other reserves	136,263	136,447	137,479	137,346	139,028	143,479	148,163	152,518	156,650	160,354
Total equity	141,281	141,466	152,197	152,064	166,371	170,822	189,050	193,405	212,309	216,013

TDC Table 33: projected statement of financial position – drinking water

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)	(3,325)
Other current assets										
Infrastructure assets	95,961	104,280	114,692	126,210	135,845	140,640	155,456	158,245	168,728	169,304
Other non-current assets	0	0	0	619	619	619	619	619	619	619
Total assets	92,636	100,955	111,367	123,504	133,139	137,934	152,750	155,539	166,022	166,598
Liabilities										
Borrowings - current portion										
Other current liabilities										
Borrowings - non-current portion	25,258	33,808	39,384	51,405	53,470	55,326	59,966	59,496	59,120	56,574
Other non-current liabilities										
Total liabilities	25,258	33,808	39,384	51,405	53,470	55,326	59,966	59,496	59,120	56,574
Net assets	67,378	67,147	71,983	72,099	79,669	82,608	92,785	96,043	106,902	110,024
Equity										
Revaluation reserve	2,413	2,413	7,265	7,265	13,654	13,654	20,486	20,486	28,173	28,173
Other reserves	64,966	64,734	64,718	64,834	66,015	68,954	72,299	75,557	78,730	81,852
Total equity	67,378	67,147	71,983	72,099	79,669	82,608	92,785	96,043	106,902	110,024

TDC Table 34: projected statement of financial position – wastewater

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)	(18,266)
Other current assets										
Infrastructure assets	71,105	77,395	86,430	93,898	105,661	106,659	112,347	112,031	117,927	117,927
Other non-current assets	0	0	0	459	459	459	459	459	459	459
Total assets	52,839	59,129	68,164	76,091	87,853	88,852	94,540	94,224	100,119	100,120
Liabilities										
Borrowings - current portion										
Other current liabilities										
Borrowings - non-current portion	3,824	9,702	14,219	22,162	28,514	27,885	26,963	25,492	24,955	24,269
Other non-current liabilities										
Total liabilities	3,824	9,702	14,219	22,162	28,514	27,885	26,963	25,492	24,955	24,269
Net assets	49,015	49,426	53,945	53,928	59,339	60,967	67,577	68,732	75,164	75,851
Equity										
Revaluation reserve	1,882	1,882	5,483	5,483	10,236	10,236	15,418	15,418	20,860	20,860
Other reserves	47,133	47,544	48,462	48,445	49,103	50,731	52,160	53,314	54,304	54,991
Total equity	49,015	49,426	53,945	53,928	59,339	60,967	67,577	68,732	75,164	75,851

TDC Table 35: projected statement of financial position – stormwater

Statement of financial position ($000)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets										
Cash and cash equivalents	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(586)	(586)
Other current assets										
Infrastructure assets	26,695	26,791	28,924	29,272	31,102	31,535	33,452	33,808	35,833	36,232
Other non-current assets	0	0	0	172	172	172	172	172	172	172
Total assets	26,109	26,205	28,338	28,858	30,689	31,122	33,039	33,395	35,419	35,818
Liabilities										
Borrowings - current portion										
Other current liabilities										
Borrowings - non-current portion	1,221	1,312	2,069	2,820	3,326	3,875	4,350	4,764	5,177	5,680
Other non-current liabilities										
Total liabilities	1,221	1,312	2,069	2,820	3,326	3,875	4,350	4,764	5,177	5,680
Net assets	24,888	24,893	26,269	26,037	27,363	27,247	28,688	28,631	30,243	30,138
Equity										
Revaluation reserve	724	724	1,971	1,971	3,453	3,453	4,984	4,984	6,627	6,627
Other reserves	24,164	24,169	24,298	24,067	23,910	23,794	23,704	23,646	23,616	23,511
Total equity	24,888	24,893	26,269	26,037	27,363	27,247	28,688	28,631	30,243	30,138

Water Services Delivery Plan: additional information

Significant capital projects

Past Investment (2006-2024)

Over the past 18 years, Council has invested **$45 million** in capital projects to improve water services across our district. This substantial investment has delivered:

Major Infrastructure Projects:

- Underground water mains throughout the main streets of our four major towns
- New water treatment plants at all locations
- A new dam for Dannevirke (which sustained damage following the 2020/21 drought)
- Reservoir replacements across the district
- Upgraded wastewater management systems

Wastewater Improvements:

- Pond lining completed in Dannevirke, Woodville, and Pahiatua
- Microfiltration system installed for Dannevirke's wastewater (wetland option still being explored)
- Ongoing installation of treatment plants and constructed wetlands

Current Challenges and Ongoing Work

While most major drinking water projects have been completed, our focus has now shifted to three key areas:

1. Building resilience in our water systems
2. Developing new water sources to meet future demand
3. Demand management including a universal water meter project and inflow/infiltration from stormwater into wastewater systems

4. Renewing aging pipelines that have reached the end of their useful life

For our smaller communities, we continue to use district-wide rating to ensure cost-effective services remain accessible to all residents. As part of our ongoing improvements, we are installing water meters at all connections across the district.

Evidence-Based Planning Approach

Our proposed capital works programme is built on solid data and analysis:

Comprehensive Asset Assessment:

- A decade of continuous camera inspections of wastewater and stormwater pipes. This inspection data proved invaluable when we successfully claimed $2.3m of insurance for earthquake damage in Eketahuna (2014)
- Enhanced telemetry systems providing real-time data on drinking water leakage, helping us prioritise pipe renewal work
- Major telemetry system upgrades, nearing completion in 2025 (also to improve access risk)

Advanced Modelling and Planning:

- Flood modelling completed for Woodville and Pahiatua (our two flood-affected towns)
- LiDAR mapping to support growth planning and our new District Plan development
- Hydraulic modelling for water, wastewater, and stormwater systems across all four major towns
- Development of a comprehensive "three waters masterplan"

Note: Our District Plan development is currently on hold while central government finalizes Resource Management Act policy changes.

This planning approach has given us the technical foundation needed to strategically renew residential wastewater pipelines and plan for future growth.

Looking Forward: $150 Million Investment Programme

Our thorough planning and evidence-based approach has been validated by Audit New Zealand. During their detailed review of our asset renewal programme as part of the Long-Term Plan audit, we received a **clear audit opinion**.

This endorsement supports our proposed **$150 million capital programme** (in nominal, inflated dollars) that will ensure our water services infrastructure continues to serve our communities reliably into the future.

Forecast Capital Project Report

All Values are Nominal Values – Inflation Applied	Year 01 2024/25	Year 02 2025/26	Year 03 2026/27	Year 04 2027/28	Year 05 2028/29	Year 06 2029/30	Year 07 2030/31	Year 08 2031/32	Year 09 2032/33	Year 10 2033/34	Total Ten Years
Akitio Water	41,120	112,200	-	-	-	-	-	-	-	-	153,320
Akitio Water Concrete Tank Renewal	41,120	33,555	-	-	-	-	-	-	-	-	74,675
Akitio Water Treatment Plant Subsidence Stabilisation	-	78,645	-	-	-	-	-	-	-	-	78,645
Dannevirke Wastewater	-	115,556	293,833	4,749,006	6,208,470	125,815	128,328	130,896	133,386	135,921	12,021,210
Dannevirke Wastewater Discharge Consent	-	-	116,804	491,745	645,201	-	-	-	-	-	1,253,751
Dannevirke Wastewater Land Irrigation Consent	-	-	-	183,994	128,593	-	-	-	-	-	312,587
Dannevirke Wastewater Land Irrigation investigation	-	-	58,938	-	-	-	-	-	-	-	58,938
Dannevirke Wastewater Land Irrigation Purchase	-	-	-	3,678,777	-	-	-	-	-	-	3,678,777
Dannevirke Wastewater Network Development (Extension)	-	115,556	118,090	120,691	123,226	125,815	128,328	130,896	133,386	135,921	1,131,908
Dannevirke Wastewater Treatment Plant Upgrade	-	-	-	273,800	5,311,450	-	-	-	-	-	5,585,250
Dannevirke Water	5,196,175	3,243,250	2,024,298	6,777,125	175,100	2,104,020	6,275,736	379,825	-	-	26,175,529

All Values are Nominal Values **– Inflation Applied**	**Year 01** **2024/25**	**Year 02** **2025/26**	**Year 03** **2026/27**	**Year 04** **2027/28**	**Year 05** **2028/29**	**Year 06** **2029/30**	**Year 07** **2030/31**	**Year 08** **2031/32**	**Year 09** **2032/33**	**Year 10** **2033/34**	**Total** **Ten Years**
Dannevirke Water Backwash Resource Consent	51,400	-	-	-	-	-	-	-	-	-	51,400
Dannevirke Water Fluoridation	-	-	-	-	55,910	-	-	-	-	-	55,910
Dannevirke Water Gregg Street Booster	-	-	375,060	-	-	-	-	-	-	-	375,060
Dannevirke Water Impounded Supply	5,037,200	2,097,200	-	-	-	-	-	-	-	-	7,134,400
Dannevirke Water Intake Flow Meter	-	209,720	-	-	-	-	-	-	-	-	209,720
Dannevirke Water Network Development (Extension)	107,575	329,190	112,138	493,314	119,190	365,084	124,125	379,825	-	-	2,030,441
Dannevirke Water Rural Main Line Plant to Reservoir 2	-	-	1,537,101	6,283,811	-	-	-	-	-	-	7,820,912
Dannevirke Water Rural Main Line Reservoir 2 to Town	-	-	-	-	-	1,738,936	6,151,611	-	-	-	7,890,547
Dannevirke Water Take Resource Consent	-	82,839	-	-	-	-	-	-	-	-	82,839
Dannevirke Water Treated Reservoir	-	524,300	-	-	-	-	-	-	-	-	524,300
District Wastewater	**671,284**	**643,840**	**1,987,818**	**468,746**	**149,839**	**250,603**	**158,954**	**155,602**	**159,773**	**164,042**	**4,810,501**

All Values are Nominal Values **– Inflation Applied**	**Year 01** **2024/25**	**Year 02** **2025/26**	**Year 03** **2026/27**	**Year 04** **2027/28**	**Year 05** **2028/29**	**Year 06** **2029/30**	**Year 07** **2030/31**	**Year 08** **2031/32**	**Year 09** **2032/33**	**Year 10** **2033/34**	**Total** **Ten Years**
District Wastewater Generators & Emergency	58,596	132,124	102,874	162,090	-	-	-	-	-	-	455,683
District Wastewater Network Unplanned Renewals	27,756	29,361	31,076	32,856	34,664	36,534	38,429	40,385	42,364	44,402	357,828
District Wastewater Plant Aerators	-	-	-	51,474	52,555	53,660	54,732	55,827	56,889	57,970	383,106
District Wastewater Ponds Perimeter Safety Fencing	77,100	78,645	80,370	82,140	-	-	-	-	-	-	318,255
District Wastewater SCADA	215,880	141,561	112,518	85,426	6,709	7,421	7,569	-	-	-	577,084
District Wastewater Security Systems	86,352	-	-	-	-	95,903	-	-	-	-	182,255
District Wastewater Sludge Disposal Facility	-	209,720	1,607,400	-	-	-	-	-	-	-	1,817,120
District Wastewater Treatment Unplanned Renewals	51,400	52,430	53,580	54,760	55,910	57,085	58,225	59,390	60,520	61,670	564,970
Norsewood Wastewater Discharge Consent Renewal	77,100	-	-	-	-	-	-	-	-	-	77,100
Pongaroa Wastewater Discharge Consent Renewal	77,100	-	-	-	-	-	-	-	-	-	77,100
District Water	**1,049,588**	**897,602**	**1,025,655**	**1,128,488**	**759,343**	**823,523**	**959,843**	**890,557**	**1,119,321**	**1,045,619**	**9,699,537**

All Values are Nominal Values – Inflation Applied	**Year 01 2024/25**	**Year 02 2025/26**	**Year 03 2026/27**	**Year 04 2027/28**	**Year 05 2028/29**	**Year 06 2029/30**	**Year 07 2030/31**	**Year 08 2031/32**	**Year 09 2032/33**	**Year 10 2033/34**	**Total Ten Years**
District Water Backflow Strategy and Devices	154,200	165,155	175,073	190,175	203,877	-	-	-	-	-	888,479
District Water Generators & Emergency	298,120	29,361	30,005	30,666	-	-	81,515	-	72,624	-	542,290
District Water HAZNO Compliance	5,140	6,292	6,430	6,571	6,709	6,850	8,152	8,315	8,473	8,634	71,565
District Water Health and Safety Renewals	16,448	17,826	18,217	19,714	20,128	21,692	23,290	23,756	25,418	25,901	212,391
District Water Network Universal Metering	20,560	209,720	384,437	392,903	401,154	660,831	707,728	721,889	735,624	749,603	4,984,449
District Water Plant Renewals	221,020	205,526	210,034	337,322	52,555	53,660	54,732	55,827	192,454	172,676	1,555,804
District Water SCADA	215,880	141,561	112,518	85,426	6,709	7,421	7,569	-	-	-	577,084
District Water Service Reservoirs Bulk Meters	51,400	52,430	26,790	-	-	-	-	-	-	-	130,620
District Water Treatment Unplanned Renewals	56,540	58,722	62,153	65,712	68,210	73,069	76,857	80,770	84,728	88,805	715,566
Norsewood Water Network Upgrades	10,280	11,010	-	-	-	-	-	-	-	-	21,290
Eketahuna Wastewater	-	2,097,200	-	-	-	-	-	-	-	-	2,097,200

All Values are Nominal Values – Inflation Applied	**Year 01 2024/25**	**Year 02 2025/26**	**Year 03 2026/27**	**Year 04 2027/28**	**Year 05 2028/29**	**Year 06 2029/30**	**Year 07 2030/31**	**Year 08 2031/32**	**Year 09 2032/33**	**Year 10 2033/34**	**Total Ten Years**
Eketahuna Wastewater Treatment Plant Upgrade	-	2,097,200	-	-	-	-	-	-	-	-	2,097,200
Eketahuna Water	254,506	369,862	206,362	1,207,699	42,646	130,626	44,412	135,901	-	-	2,392,015
Eketahuna Water Backwash Resource Consent	51,400	-	-	-	-	-	-	-	-	-	51,400
Eketahuna Water Network Development (Extension)	120,866	369,862	125,992	386,299	42,646	130,626	44,412	135,901	-	-	1,356,605
Eketahuna Water New Bore Resource Consent	41,120	-	-	-	-	-	-	-	-	-	41,120
Eketahuna Water Reservoirs Renewals	41,120	-	80,370	821,400	-	-	-	-	-	-	942,890
Norsewood Wastewater	-	248,518	875,497	260,658	-	-	-	-	-	-	1,384,673
Norsewood Wastewater Treatment Plant	-	-	844,421	-	-	-	-	-	-	-	844,421
Norsewood Wastewater Treatment Plant Design	-	128,978	-	-	-	-	-	-	-	-	128,978
Norsewood Wastewater Wetland Design	-	-	31,076	-	-	-	-	-	-	-	31,076
Norsewood Wastewater Wetland Development	-	-	-	260,658	-	-	-	-	-	-	260,658

All Values are Nominal Values **– Inflation Applied**	**Year 01** **2024/25**	**Year 02** **2025/26**	**Year 03** **2026/27**	**Year 04** **2027/28**	**Year 05** **2028/29**	**Year 06** **2029/30**	**Year 07** **2030/31**	**Year 08** **2031/32**	**Year 09** **2032/33**	**Year 10** **2033/34**	**Total** **Ten Years**
Norsewood Wastewater Wetland Land purchase	-	60,819	-	-	-	-	-	-	-	-	60,819
Norsewood Wastewater Wetland Resource Consent	-	58,722	-	-	-	-	-	-	-	-	58,722
Norsewood Water	51,400	41,944	-	246,420	-	-	-	-	-	-	339,764
Norsewood Water Alternate Source	-	26,215	-	246,420	-	-	-	-	-	-	272,635
Norsewood Water Backwash Resource Consent	51,400	-	-	-	-	-	-	-	-	-	51,400
Norsewood Water Network Pressure Management	-	15,729	-	-	-	-	-	-	-	-	15,729
Ormondville Wastewater	-	374,350	343,984	363,606	421,561	-	-	-	-	-	1,503,502
Ormondville Wastewater Discharge Resource Consent	-	346,038	-	-	-	-	-	-	-	-	346,038
Ormondville Wastewater Treatment Upgrade	-	-	-	331,846	205,749	-	-	-	-	-	537,594
Ormondville Wastewater Treatment Upgrade Design	-	-	136,093	-	-	-	-	-	-	-	136,093
Ormondville Wastewater Wetland Consent	-	-	136,093	-	-	-	-	-	-	-	136,093

All Values are Nominal Values **– Inflation Applied**	**Year 01** **2024/25**	**Year 02** **2025/26**	**Year 03** **2026/27**	**Year 04** **2027/28**	**Year 05** **2028/29**	**Year 06** **2029/30**	**Year 07** **2030/31**	**Year 08** **2031/32**	**Year 09** **2032/33**	**Year 10** **2033/34**	**Total** **Ten Years**
Ormondville Wastewater Wetland Design	-	-	-	31,761	-	-	-	-	-	-	31,761
Ormondville Wastewater Wetland Development	-	-	-	-	215,813	-	-	-	-	-	215,813
Ormondville Wastewater Wetland Investigation	-	28,312	-	-	-	-	-	-	-	-	28,312
Ormondville Wastewater Wetland Land Purchase	-	-	71,797	-	-	-	-	-	-	-	71,797
Pahiatua Wastewater	1,212,012	1,918,728	406,994	32,637	33,322	34,023	34,702	35,396	36,070	36,755	3,780,640
Pahiatua Wastewater Network Development (Extension)	-	31,248	31,934	32,637	33,322	34,023	34,702	35,396	36,070	36,755	306,088
Pahiatua Wastewater Sludge Disposal	-	-	375,060	-	-	-	-	-	-	-	375,060
Pahiatua Wastewater Treatment Plant Upgrade	514,000	1,887,480	-	-	-	-	-	-	-	-	2,401,480
Pahiatua Wastewater Wetland Design	46,260	-	-	-	-	-	-	-	-	-	46,260
Pahiatua Wastewater Wetland Development	579,792	-	-	-	-	-	-	-	-	-	579,792
Pahiatua Wastewater Wetland Pipeline	71,960	-	-	-	-	-	-	-	-	-	71,960

All Values are Nominal Values – Inflation Applied	Year 01 2024/25	Year 02 2025/26	Year 03 2026/27	Year 04 2027/28	Year 05 2028/29	Year 06 2029/30	Year 07 2030/31	Year 08 2031/32	Year 09 2032/33	Year 10 2033/34	Total Ten Years
Pahiatua Water	757,914	1,146,969	676,469	1,225,321	300,938	711,712	304,082	663,243	-	-	5,786,647
Pahiatua Water Backwash Resource Consent	51,400	-	-	-	-	-	-	-	-	-	51,400
Pahiatua Water Bore Re-Development	-	-	-	492,840	-	-	-	-	-	-	492,840
Pahiatua Water Dam and Diversion Consent	-	-	-	-	-	-	29,113	-	-	-	29,113
Pahiatua Water Erosion Control Consent	-	-	-	-	-	-	29,113	-	-	-	29,113
Pahiatua Water Infiltration Gallery Maintenance	-	-	-	191,660	-	-	-	-	-	-	191,660
Pahiatua Water Membrane Renewals	339,240	-	-	-	-	-	-	-	-	-	339,240
Pahiatua Water Network Development (Extension)	134,946	412,949	140,669	540,821	208,127	637,501	216,745	663,243	-	-	2,955,000
Pahiatua Water Old Reservoir Remedials	-	262,150	-	-	-	-	-	-	-	-	262,150
Pahiatua Water Sediment Discharge Permit	-	-	-	-	-	-	29,113	-	-	-	29,113
Pahiatua Water Source Resource Consent	41,120	-	-	-	-	-	-	-	-	-	41,120

All Values are Nominal Values **– Inflation Applied**	**Year 01** **2024/25**	**Year 02** **2025/26**	**Year 03** **2026/27**	**Year 04** **2027/28**	**Year 05** **2028/29**	**Year 06** **2029/30**	**Year 07** **2030/31**	**Year 08** **2031/32**	**Year 09** **2032/33**	**Year 10** **2033/34**	**Total** **Ten Years**
Pahiatua Water Take Bore Resource Consent	-	-	-	-	92,811	-	-	-	-	-	92,811
Pahiatua Water Treatment Plant Rising Main Renewal	51,400	471,870	535,800	-	-	-	-	-	-	-	1,059,070
Pahiatua Water Weir & Infiltration Gallery Investigation	139,808	-	-	-	-	-	-	-	-	-	139,808
Woodville Water Dam Construction Permit	-	-	-	-	-	74,211	-	-	-	-	74,211
Pongaroa Wastewater	84,296	141,561	170,384	502,697	26,837	-	-	-	-	-	925,775
Pongaroa Wastewater Treatment Plant Design	-	-	140,380	-	-	-	-	-	-	-	140,380
Pongaroa Wastewater Treatment Plant Upgrade	-	-	-	269,419	-	-	-	-	-	-	269,419
Pongaroa Wastewater Wetland Consent	56,540	-	-	-	-	-	-	-	-	-	56,540
Pongaroa Wastewater Wetland Design	-	-	30,005	-	-	-	-	-	-	-	30,005
Pongaroa Wastewater Wetland Development	-	-	-	233,278	26,837	-	-	-	-	-	260,114
Pongaroa Wastewater Wetland Investigation	27,756	-	-	-	-	-	-	-	-	-	27,756

All Values are Nominal Values **– Inflation Applied**	**Year 01** **2024/25**	**Year 02** **2025/26**	**Year 03** **2026/27**	**Year 04** **2027/28**	**Year 05** **2028/29**	**Year 06** **2029/30**	**Year 07** **2030/31**	**Year 08** **2031/32**	**Year 09** **2032/33**	**Year 10** **2033/34**	**Total** **Ten Years**
Pongaroa Wastewater Wetland Land Purchase	-	141,561	-	-	-	-	-	-	-	-	141,561
Pongaroa Water	25,700	78,645	107,160	-	92,811	-	-	-	-	-	304,316
Pongaroa Water Network Upgrades	25,700	78,645	-	-	-	-	-	-	-	-	104,345
Pongaroa Water Take Resource Consent	-	-	-	-	92,811	-	-	-	-	-	92,811
Pongaroa Water 3 Day Treated Storage	-	-	107,160	-	-	-	-	-	-	-	107,160
Reticulation Network	3,754,921	5,539,389	4,681,907	6,159,623	6,212,670	6,996,043	6,496,141	5,837,358	8,253,925	5,791,697	59,723,674
District Wastewater Infiltration and Inflow Strategy Implementation	257,000	629,160	535,800	328,560	39,137	39,960	40,758	41,573	42,364	43,169	1,997,480
District Wastewater Manhole Replacements	48,316	49,284	50,365	51,474	52,555	53,660	54,732	55,827	56,889	57,970	531,072
District Wastewater Network Development (Extension)	280,644	294,657	308,621	326,370	343,287	363,061	381,956	-	-	-	2,298,595
District Wastewater Network Renewals	1,355,336	1,618,624	1,478,178	2,266,653	2,291,773	2,975,454	2,644,793	2,279,037	3,122,919	2,727,449	22,760,216
District Wastewater Pump Station Renewals	56,540	58,722	61,081	63,522	65,974	68,502	71,035	73,644	76,255	78,938	674,211

All Values are Nominal Values **– Inflation Applied**	**Year 01** **2024/25**	**Year 02** **2025/26**	**Year 03** **2026/27**	**Year 04** **2027/28**	**Year 05** **2028/29**	**Year 06** **2029/30**	**Year 07** **2030/31**	**Year 08** **2031/32**	**Year 09** **2032/33**	**Year 10** **2033/34**	**Total** **Ten Years**
District Water Network Leakage Strategy	154,200	235,935	-	-	-	-	-	-	-	-	390,135
District Water Network Mains Renewals	1,554,569	2,361,496	1,948,886	3,090,188	3,385,279	3,458,873	3,264,441	3,346,893	4,913,133	2,839,769	30,163,526
District Water Network Pressure Management	20,560	262,150	267,900	-	-	-	-	-	-	-	550,610
District Water Network Unplanned Renewals	27,756	29,361	31,076	32,856	34,664	36,534	38,429	40,385	42,364	44,402	357,828
Stormwater	585,346	595,206	1,401,972	878,361	894,187	992,408	959,440	943,983	985,301	1,014,331	9,250,534
District Stormwater Network Development	257,000	262,150	267,900	-	-	-	-	-	-	-	787,050
District Stormwater Reticulation Renewals	328,346	333,056	1,134,072	878,361	894,187	992,408	959,440	943,983	985,301	1,014,331	8,463,484
Water	86,268	-	-	-	-	-	-	-	-	-	86,268
District Water Security Systems	86,268	-	-	-	-	-	-	-	-	-	86,268
Woodville Wastewater	147,004	315,419	1,327,498	611,998	76,932	78,549	80,118	81,721	83,276	84,858	2,887,372
Woodville Wastewater Network Development (Extension)	-	72,144	73,726	75,350	76,932	78,549	80,118	81,721	83,276	84,858	706,672

All Values are Nominal Values – Inflation Applied	**Year 01 2024/25**	**Year 02 2025/26**	**Year 03 2026/27**	**Year 04 2027/28**	**Year 05 2028/29**	**Year 06 2029/30**	**Year 07 2030/31**	**Year 08 2031/32**	**Year 09 2032/33**	**Year 10 2033/34**	**Total Ten Years**
Woodville Wastewater Pond 2 Liner Replacement	61,680	66,062	-	-	-	-	-	-	-	-	127,742
Woodville Wastewater Treatment Plant Design	-	119,540	-	-	-	-	-	-	-	-	119,540
Woodville Wastewater Treatment Plant Upgrade	-	-	953,724	251,896	-	-	-	-	-	-	1,205,620
Woodville Wastewater Wetland Design	85,324	-	-	-	-	-	-	-	-	-	85,324
Woodville Wastewater Wetland Development	-	-	300,048	262,848	-	-	-	-	-	-	562,896
Woodville Wastewater Wetland Pipeline	-	57,673	-	-	-	-	-	-	-	-	57,673
Woodville Wastewater Wetland Resource Consent	-	-	-	21,904	-	-	-	-	-	-	21,904
Woodville Water	412,240	1,969,309	1,865,668	518,069	1,271,835	470,589	159,996	489,591	-	-	7,157,298
Woodville Water Alternate Water Source Resource Consent	102,800	110,103	-	-	1,118,200	-	-	-	-	-	1,331,103
Woodville Water Backwash Resource Consent	51,400	-	-	-	-	-	-	-	-	-	51,400
Woodville Water Network Development (Extension)	93,560	286,306	97,528	518,069	153,635	470,589	159,996	489,591	-	-	2,269,275

All Values are Nominal Values **– Inflation Applied**	**Year 01** **2024/25**	**Year 02** **2025/26**	**Year 03** **2026/27**	**Year 04** **2027/28**	**Year 05** **2028/29**	**Year 06** **2029/30**	**Year 07** **2030/31**	**Year 08** **2031/32**	**Year 09** **2032/33**	**Year 10** **2033/34**	**Total** **Ten Years**
Woodville Water Reservoir Renewal	123,360	1,572,900	1,768,140	-	-	-	-	-	-	-	3,464,400
Woodville Water Source Water Consent	41,120	-	-	-	-	-	-	-	-	-	41,120
Total Forecast Capital Projects	**14,329,774**	**19,849,548**	**17,395,500**	**25,130,453**	**16,666,490**	**12,717,911**	**15,601,752**	**9,744,071**	**10,771,051**	**8,273,223**	**150,479,773**

Significant capital projects – drinking water

Over the next 10 years, the Council plans to invest in key projects, including renewing water reticulation and renewing and upgrading reservoirs and treatment plant facilities, as included in the table above. However, the biggest single programme is the need to renew our pipe networks, as follows:

TDC Table 36: drinking water renewals

Summary	Length (metres)	Total Cost $ Un-inflated		Total Cost $ Inflated
1 Dannevirke	42,106	31,491,453	$	35,615,174
2 Woodville	17,452	6,759,812	$	7,290,633
3 Pahiatua	4,044	1,411,208	$	1,636,089
4 Eketahuna	1,674	743,109	$	882,606
5 Norsewood	102	16,187	$	19,965
Total Water Renewals	**65,377**	**40,421,769**	**$**	**45,444,467**

		Length (metres)	Total Cost $ Un-inflated		Total Cost $ Inflated
Year	Renewals By Year	Length	$		$
2024/25	1	6,442	3,400,735	$	3,495,955
2025/26	2	6,692	2,432,500	$	2,550,718
2026/27	3	8,674	4,196,382	$	4,496,841
2027/28	4	8,755	8,245,262	$	9,030,211
2028/29	5	6,315	2,567,836	$	2,871,351
2029/30	6	7,998	4,396,007	$	5,018,923
2030/31	7	8,095	7,925,237	$	9,228,940
2031/32	8	6,443	2,869,881	$	3,408,847
2032/33	9	4,336	3,016,974	$	3,651,746
2033/34	10	1,627	1,370,955	$	1,690,935
	Total Water Renewals	**65,377**	**40,421,769**	**$**	**45,444,467**

Significant capital projects – wastewater

Over the next 10 years, the Council plans to invest in key projects, including renewing wastewater reticulation and renewing and upgrading our treatment facilities, as included in the table above. The renewals programme is as follows:

TDC Table 37: wastewater renewal

Wastewater Renewals

Summary	Length (metres)	Total Cost $ Un-inflated		Total Cost $ Inflated
1 Dannevirke	10,513	11,982,788	$	13,474,223
2 Woodville	3,772	4,242,239	$	5,045,245
3 Pahiatua	3,419	3,643,017	$	4,143,936
4 Eketahuna	80	79,985	$	96,814
Total Wastewater Renewals	**17,785**	**19,948,029**	**$**	**22,760,218**

		Length (metres)	Total Cost $ Un-inflated		Total Cost $ Inflated
Year	Renewals By Year	Length	$		$
2024/25	1	1,146	1,318,420	$	1,355,335
2025/26	2	1,291	1,543,606	$	1,618,627
2026/27	3	1,196	1,379,412	$	1,478,177
2027/28	4	1,615	2,069,625	$	2,266,655
2028/29	5	1,890	2,049,520	$	2,291,774
2029/30	6	2,313	2,606,162	$	2,975,456
2030/31	7	1,956	2,271,184	$	2,644,793
2031/32	8	1,775	1,918,705	$	2,279,039
2032/33	9	2,469	2,580,069	$	3,122,914
2033/34	10	2,135	2,211,326	$	2,727,448
		17,785	**19,948,029**	**$**	**22,760,218**

Significant capital projects – stormwater

Over the next 10 years, the Council plans to invest in key projects, including continuous renewals and projects to increase our current level of service to meet the needs of our growing population and economy, as included in the table above, with the renewals programme as follows:.

TDC Table 38: stormwater renewals

Stormwater Renewals

Summary	Length (metres)	Total Cost $ Un-inflated		Total Cost $ Inflated
1 Dannevirke	2,180	3,209,083	$	3,642,121
2 Woodville	512	640,548	$	704,672
3 Pahiatua	1,638	2,219,463	$	2,561,731
4 Eketahuna	1,175	1,352,193	$	1,554,959
Total Stormwater Renewals	**5,504**	**7,421,287**	**$**	**8,463,483**

Proposed summary of all renewals of stormwater over the ten years of the draft Long-Term Plan commencing the 2024/25 financial year. See the following pages for the planned works by location and year.

		Length (metres)	Total Cost $ Un-inflated	Total Cost $ Inflated
Year	Renewals By Year	Length	$	$
2024/25	1	255	319,404	328,348
2025/26	2	301	317,620	333,057
2026/27	3	637	1,058,298	1,134,072
2027/28	4	627	802,009	878,361
2028/29	5	585	799,667	894,187
2029/30	6	445	869,238	992,409
2030/31	7	696	823,906	959,438
2031/32	8	673	794,731	943,979
2032/33	9	606	814,029	985,302
2033/34	10	679	822,385	1,014,330
	Total Stormwater Renewals	5,504	7,421,287	$ 8,463,483

Risks and assumptions

TDC Table 39: risks and assumptions

Key Risks	Caused by	Consequences	Controls and Mitigation	Likelihood	Consequences	Risk Score
Significant unexpected disruption to essential services	Natural disaster or another unexpected event such as a critical asset failure, significantly disrupts Council's ability to provide essential 3waters services. Note: we have assumed in the LTP that there will not be a catastrophic disaster in the next 10 years and that Council will have the capacity to mount an effective response to any that do occur.	Impacts on essential 3waters service delivery with resulting impacts on consumers' health from lack of clean drinking water, and/or the safe disposal and treatment of wastewater or Stormwater disruptions flooding or entering properties. As well as the immediate loss of service the consequences for Council and consumer may well stretch into a long recovery from a disaster.	> Develop Business Continuity plan (BCP) (and Water Safety Plans (WSP)where these are not already in place. > Critical services and critical assets are detailed as part of BCP above. The AMP details work to determine critical assets and services. Maintain emergency management response capability through the	Based on 1/20 year event: Unlikely	Very High Loss or overrun of >$5m	High Risk

Risk Management (Continued)

Key Risks	Caused by	Consequences	Controls and Mitigation	Likelihood	Consequences	Risk Score
Climate Change	The impacts of climate change will be changes to weather patterns including longer dry periods, more intense rainfall, more temperature extremes, and stronger winds. There is significant uncertainty about the extent of change for the Tararua and the risk is that climate change impacts are different to those assumed.	Impact ability to maintain levels of service.	> Ensure most up to date climate change models are utilised for 3waters planning > Ensure climate change resilience is built into 3waters projects.	Possible (25-60%)	Very High (LoS significant reduction over multiple years)	High Risk
Infrastructure compliance cost increases	The risk is that compliance costs could increase significantly due to penalties for not meeting compliance requirements, from new infrastructure projects not meeting compliance requirements on completion, or from increases in compliance standards imposed by government or regulators.	The consequences are direct financial costs or requirements to improve assets	> Capital projects to remedy current non-compliance have been reviewed to ensure they will meet compliance requirements > Council maintains a close relationship with regulators to manage compliance issued in a collaborative manner.	Possible (25-60%)	High ($1-5m)	High Risk
Population Growth	Risk significant growth before infrastructure is upgraded to cater for growth.	Could slowly degrade levels of Service where resources could be stressed or infrastructure is unable to cope with demand needs	> Planning for growth through review and updating the Masterplan > Planning adequate funding to allow necessary and timely upgrades and new service areas > Planning and design to permit timely and efficient construction timeframes	Possible (25-60%)	High ($1-5m) (Levels of service significantly below expectations)	High Risk

Risk Management (Continued)

Key Risks	Caused by	Consequences	Controls and Mitigation	Likelihood	Consequences	Risk Score
Non-compliance with statutory requirements	The risk is that Council continues to be non-complaint with statutory requirements and/or there are further significant breaches of statutory requirements	The consequences are around level of service delivery and impacts on community wellbeing, potential financial costs and prosecution, and loss of confidence. Examples would be Eketahuna WWTP, Dannevirke WWTP Land dispersal and Woodville WWTP	> Capital projects to remedy current non-compliance have been reviewed to ensure they will meet compliance requirements. > Council maintains a close relationship with regulators to manage compliance issued in a collaborative manner. > Council has established additional compliance positions to proactively manage compliance requirements and consent renewals. > Insurance > Council keeps the public informed including the use of communications plans.	Highly Probable (we are already non-complaint and likely to remain so during the term of the LTP)	Very High Loss or overrun of >$5m	Severe Risk
Government 3waters Reform	There is uncertainty about the direction government will take with 3waters reform. Decisions are due later in 2024 and legislation in 2025. Issues are around ownership, balance sheet separation, ability to borrow etc.	The consequences are that it is difficult to plan and make decisions about the timing of expenditure etc. There will be direct costs associated with any change in ownership or structure that may not be funded by government.	> Council has budgeted as if retaining 3waters for the term of the LTP (There will be a better financial position if it is removed)	Highly Probable (that there will be additional costs associated with reform)	Medium (up to $1m additional unbudgeted cost – as we are proceeding as if we retain ownership at present)	High Risk
3Waters renewals	The risk is that there will be a shortfall in funds available to replace 3waters assets if asset lives are shorter than forecast. The cause is that there is insufficient data on asset condition.	The consequences are shortfalls in depreciation reserves or budgets for the renewal programme and also potential for a reduction in level of service.	> Updating the risk register for this so far based gathering and improving asset data and planning based on criticality, risk and performance	Possible (25-60%)	Medium (up to $1M)	Moderate Risk

Risk Management (Continued)

Key Risks	Caused by	Consequences	Controls and Mitigation	Likelihood	Consequences	Risk Score
Capital works programme	A number of large capital projects have been budgeted to meet compliance and level of service requirements. There have been and likely to continue to be constraints in specialist staff, supply chain, and industry capacity that may impact on the do-ability of the capital works programme. Also other economic impacts such as interest rate and inflation forecasts being too low. There remains significant uncertainty around the Dannevirke impounded supply programme requirements and costs and design programme requirements for key WWTP's and land disposal The Masterplan stage one has been completed however it is yet to account for growth, climate change impacts, and District Plan review, and this could impact on the scope of planned projects and renewals programme.	The consequences are in terms of the timely delivery of projects, the potential for significant cost overruns or additional budget requirements, and for projects to not deliver to meet climate change, growth, or District Plan requirements.	> Projects are tracked and escalated to the Infrastructure, Climate Change, and Emergency Management Committee for high value and/or higher risk projects. > Steering committees are in place for larger projects in line with the Project Management Framework. > Council works collaboratively with supply partners > Masterplan phase 2 is underway in response to the Urban Growth Strategy	Highly Probable (based on history)	Very High ($5m plus based on history)	Severe Risk
Wastewater Private lateral connections	Currently council own water supply laterals from the main to the boundary of the serviced property, wastewater is in reverse where the lateral is the responsibility of the serviced property owner making control over assets in public corridors difficult to manage and control and unmaintainable.	Renewals or upgrades of council's sewer mains means laterals in old and very poor condition will be reconnected to the new main and could be at risk of failing within council's reserve due to age and condition despite mains renewal. Any benefit from renewing a council owned sewer main to resolve inflow may be counteracted by Inflow generated from the lateral connection but outside council's potentially necessitating enforcement through the Bylaw. Owners also face significant on-costs to conduct lateral repairs or renewals.	> Including risk management in the Infiltration & inflow strategy to include mitigation measures > Bylaw enforcement to force owners to repair/ replace lateral > Council considers ownership of the lateral from the Main to the property boundary	Highly Probable (based on history)	Very High (LoS significant reduction over multiple years)	Severe Risk

Risk Management (Continued)

Key Risks	Caused by	Consequences	Controls and Mitigation	Likelihood	Consequences	Risk Score
Māori and iwi relationships	The risk is that Council fails to maintain and strengthen iwi and Māori partnerships.	The 3waters activity has particular significance to iwi and Māori and maintaining strong partnerships is important for good outcomes including consent applications.	> Council has partnership agreements with Rangitāne o Tamaki nui-ā-Rua and Ngati Kahungunu ki Tāmaki-nui-a-Rua. > Iwi are invited to governance decision making meetings. > There are regular operations meetings between iwi and Council. > Council is developing internal cultural competency.	Possible based on history	Medium (financial implications regards consents and confidence)	Moderate Risk
Other stakeholder and community engagement risks	The risk is that Council does not sufficiently engage with or inform the community about decisions and information involving 3waters	As a result there could be a loss of confidence and reputation and/or inappropriate decision making.	> Decisions are made in accordance with the Significance and Engagement Policy. > Communications Plans are in place for 3waters decisions, projects, and issues	Possible (based on history	Medium (some impact in confidence, media interest etc)	Moderate Risk

Part F: Wairarapa Tararua WSO combined financial summary

WSO Table 1: Funding impact statement – water services

Funding impact statement ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding											
General rates	1,283	751	855	982	990	1,058	1,122	1,186	1,162	1,171	1,202
Targeted rates	36,869	42,816	48,131	53,282	60,080	66,096	73,004	77,416	81,525	81,617	82,784
Subsidies and grants for operating purposes	623	1,911	1,083	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	680	147	272	152	154	158	162	165	169	172	185
Fees and charges	2,012	2,303	2,047	1,938	1,988	2,039	2,088	2,136	2,184	2,231	2,278
Total operating funding	41,466	47,928	52,388	56,353	63,213	69,352	76,376	80,903	85,040	85,191	86,448
Applications of operating funding											
Payments to staff and suppliers	19,232	21,693	21,845	19,934	21,533	23,468	22,854	22,414	23,342	22,802	23,839
Finance costs	4,556	5,279	5,786	7,354	14,772	17,150	18,520	19,349	19,919	20,168	20,255
Internal charges and overheads applied	5,690	7,105	7,533	7,650	7,630	7,839	8,105	8,207	8,427	8,642	8,766
Other operating funding applications	37	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	29,514	34,077	35,164	34,938	43,936	48,457	49,479	49,971	51,688	51,613	52,860
Surplus/(deficit) of operating funding	11,952	13,851	17,224	21,414	19,278	20,894	26,897	30,932	33,352	33,579	33,588
Sources of capital funding											
Subsidies and grants for capital expenditure	3,098	1,770	0	0	0	0	0	0	0	0	0
Development and financial contributions	1,243	835	825	830	834	837	838	840	842	844	846
Increase/(decrease) in debt	7,827	19,518	24,864	29,792	36,378	30,358	13,372	10,181	9,618	4,151	6,852
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	12,169	22,123	25,689	30,622	37,212	31,195	14,210	11,021	10,460	4,995	7,698
Applications of capital funding											
Capital expenditure - to meet additional demand	5,037	1,070	6,622	4,341	7,802	4,485	4,488	1,255	1,993	344	351
Capital expenditure - to improve levels of services	13,151	11,421	15,880	25,977	25,395	26,831	12,016	13,071	13,587	7,754	9,519
Capital expenditure - to replace existing assets	18,123	29,033	30,722	27,124	30,567	21,734	25,575	30,247	24,078	28,610	24,662
Increase/(decrease) in reserves	(9,866)	(5,550)	(10,310)	(5,406)	(12,274)	(961)	(971)	(2,620)	4,154	1,866	6,754
Increase/(decrease) in investments	155	0	0	0	5,000	0	0	0	0	0	0
Total applications of capital funding	26,600	35,974	42,913	52,036	56,490	52,090	41,107	41,953	43,812	38,574	41,285
Surplus/(deficit) of capital funding	(14,431)	(13,851)	(17,224)	(21,414)	(19,278)	(20,894)	(26,897)	(30,932)	(33,352)	(33,579)	(33,588)
Funding balance	(2,479)	(0)	(0)	0	(0)	0	0	0	0	0	0

WSO Table 2: Funding impact statement – drinking water

Funding impact statement ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding											
General rates	262	183	257	312	341	365	387	423	434	434	448
Targeted rates	16,157	18,677	21,050	22,978	26,077	30,452	33,241	34,646	35,055	35,463	35,745
Subsidies and grants for operating purposes	521	1,234	836	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	290	94	220	98	100	103	105	107	110	112	114
Fees and charges	699	610	658	511	525	539	553	566	579	592	605
Total operating funding	17,929	20,798	23,021	23,899	27,044	31,459	34,286	35,743	36,178	36,600	36,912
Applications of operating funding											
Payments to staff and suppliers	9,366	11,050	11,492	10,311	11,061	12,052	11,367	11,571	11,641	11,758	11,907
Finance costs	1,152	1,384	1,626	2,401	5,902	6,731	6,883	6,663	6,482	6,330	6,248
Internal charges and overheads applied	2,788	3,041	3,279	3,284	3,155	3,237	3,351	3,387	3,482	3,569	3,623
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	13,307	15,475	16,397	15,996	20,117	22,019	21,601	21,622	21,605	21,657	21,778
Surplus/(deficit) of operating funding	4,623	5,323	6,624	7,903	6,927	9,440	12,685	14,121	14,573	14,943	15,134
Sources of capital funding											
Subsidies and grants for capital expenditure	421	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	280	306	302	305	307	309	310	311	313	314	316
Increase/(decrease) in debt	4,335	18,786	15,293	13,175	14,476	10,963	4,217	3,319	2,548	2,422	2,301
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	5,036	19,092	15,595	13,481	14,783	11,272	4,527	3,631	2,861	2,736	2,617
Applications of capital funding											
Capital expenditure - to meet additional demand	1,069	532	3,004	556	2,022	609	1,688	631	1,749	92	94
Capital expenditure - to improve levels of services	2,363	6,425	6,993	10,868	9,713	8,947	4,905	5,305	2,762	2,872	2,492
Capital expenditure - to replace existing assets	8,594	20,228	20,006	14,660	18,225	11,041	12,449	16,583	11,737	15,614	12,022
Increase/(decrease) in reserves	(1,855)	(2,769)	(7,784)	(4,700)	(10,232)	115	(1,829)	(4,768)	1,186	(899)	3,143
Increase/(decrease) in investments	(112)	0	0	0	1,982	0	0	0	0	0	0
Total applications of capital funding	10,059	24,415	22,219	21,384	21,710	20,712	17,212	17,751	17,434	17,679	17,751
Surplus/(deficit) of capital funding	(5,023)	(5,323)	(6,624)	(7,903)	(6,927)	(9,440)	(12,685)	(14,120)	(14,573)	(14,943)	(15,134)
Funding balance	(400)	0	0	0	0	0	0	0	0	0	0

WSO Table 3: Funding impact statement – wastewater

Funding impact statement ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding											
General rates	529	449	500	565	600	644	685	711	676	684	699
Targeted rates	18,831	21,085	23,830	26,685	30,310	31,777	35,694	38,274	41,465	40,744	41,442
Subsidies and grants for operating purposes	102	677	247	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	377	52	52	53	54	55	57	58	59	60	71
Fees and charges	1,311	1,691	1,387	1,424	1,461	1,497	1,532	1,568	1,602	1,637	1,670
Total operating funding	21,151	23,954	26,016	28,727	32,425	33,974	37,968	40,610	43,802	43,125	43,882
Applications of operating funding											
Payments to staff and suppliers	8,663	9,481	9,216	8,556	9,269	10,206	10,317	9,663	10,510	9,835	10,714
Finance costs	3,340	3,786	4,039	4,759	8,140	9,570	10,668	11,568	12,143	12,365	12,384
Internal charges and overheads applied	2,163	3,300	3,448	3,537	3,626	3,731	3,859	3,911	4,015	4,121	4,177
Other operating funding applications	37	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	14,203	16,567	16,703	16,852	21,034	23,507	24,844	25,142	26,668	26,320	27,274
Surplus/(deficit) of operating funding	6,947	7,387	9,313	11,875	11,391	10,466	13,124	15,469	17,134	16,805	16,608
Sources of capital funding											
Subsidies and grants for capital expenditure	2,498	1,770	0	0	0	0	0	0	0	0	0
Development and financial contributions	942	505	498	500	501	502	502	503	503	504	504
Increase/(decrease) in debt	4,107	905	8,082	15,325	20,532	18,312	6,977	4,524	4,420	(725)	2,126
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	7,547	3,180	8,579	15,824	21,032	18,814	7,479	5,027	4,923	(222)	2,629
Applications of capital funding											
Capital expenditure - to meet additional demand	2,514	281	2,921	3,517	5,780	3,877	2,800	624	244	252	256
Capital expenditure - to improve levels of services	10,788	4,997	7,799	13,995	14,946	17,028	5,694	5,624	8,626	3,095	5,846
Capital expenditure - to replace existing assets	9,071	7,861	9,437	9,628	10,420	8,723	11,054	11,781	10,460	11,061	10,662
Increase/(decrease) in reserves	(7,224)	(2,572)	(2,263)	559	(992)	(348)	1,055	2,465	2,727	2,175	2,472
Increase/(decrease) in investments	275	0	0	0	2,268	0	0	0	0	0	0
Total applications of capital funding	15,423	10,566	17,893	27,699	32,423	29,280	20,603	20,495	22,057	16,584	19,237
Surplus/(deficit) of capital funding	(7,876)	(7,387)	(9,313)	(11,875)	(11,391)	(10,466)	(13,124)	(15,468)	(17,134)	(16,805)	(16,608)
Funding balance	(929)	0	(0)	0	0	0	0	0	0	0	0

WSO Table 4: Funding impact statement – stormwater

Funding impact statement ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Sources of operating funding											
General rates	492	119	97	104	49	49	50	52	52	53	55
Targeted rates	1,881	3,055	3,250	3,619	3,694	3,868	4,069	4,496	5,006	5,410	5,596
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other receipts	12	1	0	1	0	0	0	0	0	0	0
Fees and charges	1	2	2	2	2	2	2	2	2	2	2
Total operating funding	2,386	3,177	3,350	3,726	3,745	3,919	4,121	4,550	5,060	5,466	5,653
Applications of operating funding											
Payments to staff and suppliers	1,202	1,162	1,137	1,067	1,204	1,210	1,170	1,180	1,191	1,210	1,218
Finance costs	63	110	121	194	731	849	969	1,118	1,294	1,474	1,624
Internal charges and overheads applied	739	763	806	829	850	871	895	909	930	952	966
Other operating funding applications	0	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	2,004	2,035	2,063	2,090	2,785	2,930	3,033	3,207	3,415	3,635	3,808
Surplus/(deficit) of operating funding	382	1,141	1,287	1,636	960	988	1,088	1,343	1,645	1,830	1,845
Sources of capital funding											
Subsidies and grants for capital expenditure	179	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	22	24	25	25	26	26	26	26	26	26	26
Increase/(decrease) in debt	(615)	(173)	1,490	1,292	1,371	1,083	2,178	2,337	2,650	2,455	2,426
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	(414)	(149)	1,515	1,317	1,397	1,109	2,204	2,363	2,676	2,481	2,452
Applications of capital funding											
Capital expenditure - to meet additional demand	1,454	257	697	268	0	0	0	0	0	0	0
Capital expenditure - to improve levels of services	0	0	1,088	1,115	736	855	1,416	2,142	2,199	1,786	1,181
Capital expenditure - to replace existing assets	459	944	1,279	2,836	1,921	1,970	2,073	1,882	1,881	1,935	1,979
Increase/(decrease) in reserves	(786)	(209)	(262)	(1,265)	(1,050)	(727)	(197)	(317)	241	590	1,137
Increase/(decrease) in investments	(8)	0	0	0	750	0	0	0	0	0	0
Total applications of capital funding	1,118	993	2,802	2,954	2,357	2,098	3,292	3,707	4,321	4,310	4,297
Surplus/(deficit) of capital funding	(1,532)	(1,142)	(1,287)	(1,636)	(960)	(988)	(1,088)	(1,343)	(1,645)	(1,830)	(1,845)
Funding balance	(1,150)	(0)	(0)	0	0	0	0	0	0	0	0

WSO Table 5: Projected statement of comprehensive review and expenses – water services

Statement of comprehensive revenue and expense ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	41,466	47,928	52,388	56,353	63,213	69,352	76,376	80,903	85,040	85,191	86,448
Other revenue	4,341	2,605	825	830	834	837	838	840	842	844	846
Total revenue	45,808	50,533	53,213	57,183	64,047	70,189	77,214	81,743	85,882	86,035	87,294
Operating expenses	19,269	21,693	21,845	19,934	21,533	23,468	22,854	22,414	23,342	22,802	23,839
Finance costs	4,556	5,279	5,786	7,354	14,772	17,150	18,520	19,349	19,919	20,168	20,255
Overheads and support costs	5,690	7,105	7,533	7,650	7,630	7,839	8,105	8,207	8,427	8,642	8,766
Depreciation & amortisation	0	16,563	17,166	19,298	20,118	21,732	23,448	24,753	25,798	27,276	27,729
Total expenses	29,514	50,640	52,330	54,236	64,053	70,189	72,926	74,723	77,487	78,889	80,589
Net surplus / (deficit)	16,293	(107)	883	2,947	(6)	(1)	4,287	7,020	8,395	7,147	6,705
Revaluation of infrastructure assets	0	8,561	16,219	16,765	17,685	22,196	19,414	24,416	20,139	27,074	21,223
Total comprehensive income	16,293	8,454	17,102	19,711	17,679	22,195	23,701	31,436	28,534	34,220	27,928
Cash surplus / (deficit) from operations (excl depreciation)	16,293	16,456	18,049	22,244	20,111	21,731	27,735	31,772	34,193	34,423	34,434

WSO Table 6: Projected statement of comprehensive review and expenses – drinking water

Statement of comprehensive revenue and expense ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	17,929	20,798	23,021	23,899	27,044	31,459	34,286	35,743	36,178	36,600	36,912
Other revenue	701	306	302	305	307	309	310	311	313	314	316
Total revenue	18,630	21,104	23,324	24,204	27,351	31,768	34,597	36,054	36,491	36,915	37,228
Operating expenses	9,366	11,050	11,492	10,311	11,061	12,052	11,367	11,571	11,641	11,758	11,907
Finance costs	1,152	1,384	1,626	2,401	5,902	6,731	6,883	6,663	6,482	6,330	6,248
Overheads and support costs	2,788	3,041	3,279	3,284	3,155	3,237	3,351	3,387	3,482	3,569	3,623
Depreciation & amortisation	0	7,531	7,722	8,660	8,940	9,651	10,258	10,789	11,196	11,940	12,113
Total expenses	13,307	23,006	24,120	24,656	29,056	31,670	31,859	32,410	32,801	33,597	33,891
Net surplus / (deficit)	5,324	(1,902)	(796)	(451)	(1,706)	98	2,737	3,644	3,690	3,317	3,337
Revaluation of infrastructure assets	0	3,788	5,125	7,926	5,928	10,157	7,009	10,779	7,385	12,045	7,822
Total comprehensive income	5,324	1,886	4,329	7,475	4,222	10,255	9,746	14,423	11,076	15,362	11,159
Cash surplus / (deficit) from operations (excl depreciation)	5,324	5,629	6,927	8,209	7,234	9,749	12,995	14,432	14,886	15,257	15,450

WSO Table 7: Projected statement of comprehensive review and expenses – wastewater

Statement of comprehensive revenue and expense ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	21,151	23,954	26,016	28,727	32,425	33,974	37,968	40,610	43,802	43,125	43,882
Other revenue	3,440	2,275	498	500	501	502	502	503	503	504	504
Total revenue	24,590	26,229	26,514	29,227	32,926	34,475	38,469	41,113	44,304	43,629	44,386
Operating expenses	8,700	9,481	9,216	8,556	9,269	10,206	10,317	9,663	10,510	9,835	10,714
Finance costs	3,340	3,786	4,039	4,759	8,140	9,570	10,668	11,568	12,143	12,365	12,384
Overheads and support costs	2,163	3,300	3,448	3,537	3,626	3,731	3,859	3,911	4,015	4,121	4,177
Depreciation & amortisation	0	7,463	7,990	9,045	9,516	10,323	11,317	12,015	12,562	13,117	13,325
Total expenses	14,203	24,030	24,693	25,898	30,550	33,830	36,161	37,157	39,230	39,437	40,600
Net surplus / (deficit)	10,387	2,198	1,821	3,329	2,375	645	2,308	3,956	5,074	4,192	3,786
Revaluation of infrastructure assets	0	3,298	8,846	6,310	9,293	9,087	9,774	10,561	10,030	11,590	10,588
Total comprehensive income	10,387	5,497	10,666	9,639	11,668	9,732	12,082	14,517	15,104	15,782	14,374
Cash surplus / (deficit) from operations (excl depreciation)	10,387	9,661	9,811	12,374	11,891	10,968	13,626	15,971	17,636	17,309	17,111

WSO Table 8: Projected statement of comprehensive review and expenses – stormwater

Statement of comprehensive revenue and expense ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue	2,386	3,177	3,350	3,726	3,745	3,919	4,121	4,550	5,060	5,466	5,654
Other revenue	201	24	25	25	26	26	26	26	26	26	26
Total revenue	2,587	3,201	3,375	3,751	3,771	3,945	4,147	4,576	5,086	5,492	5,680
Operating expenses	1,202	1,162	1,137	1,067	1,204	1,210	1,170	1,180	1,191	1,210	1,218
Finance costs	63	110	121	194	731	849	969	1,118	1,294	1,474	1,624
Overheads and support costs	739	763	806	829	850	871	895	909	930	952	966
Depreciation & amortisation	0	1,568	1,454	1,593	1,662	1,758	1,872	1,949	2,040	2,219	2,291
Total expenses	2,004	3,604	3,517	3,683	4,447	4,689	4,906	5,156	5,456	5,854	6,098
Net surplus / (deficit)	583	(403)	(142)	69	(676)	(744)	(758)	(580)	(370)	(363)	(418)
Revaluation of infrastructure assets	0	1,475	2,248	2,528	2,464	2,952	2,631	3,076	2,723	3,439	2,813
Total comprehensive income	583	1,072	2,106	2,597	1,788	2,208	1,872	2,496	2,354	3,076	2,395
Cash surplus / (deficit) from operations (excl depreciation)	583	1,165	1,312	1,661	986	1,014	1,114	1,369	1,671	1,856	1,872

WSO Table 9: Projected statement of cashflows – water services

Statement of cashflows ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities											
Cash surplus / (deficit) from operations	16,293	16,456	18,049	22,244	20,111	21,731	27,735	31,772	34,193	34,423	34,434
[other items]											
Net cashflows from operating activities	16,293	16,456	18,049	22,244	20,111	21,731	27,735	31,772	34,193	34,423	34,434
Cashflows from investment activities											
[other items]	(155)	0	0	0	(5,000)	0	0	0	0	0	0
Capital expenditure	(36,311)	(41,524)	(53,223)	(57,442)	(63,763)	(53,050)	(42,078)	(44,573)	(39,657)	(36,708)	(34,532)
Net cashflows from investment activities	(36,466)	(41,524)	(53,223)	(57,442)	(68,763)	(53,050)	(42,078)	(44,573)	(39,657)	(36,708)	(34,532)
Cashflows from financing activities											
New borrowings	17,693	25,068	35,174	35,198	48,652	31,319	14,344	12,801	5,464	2,285	98
Repayment of borrowings											
Net cashflows from financing activities	17,693	25,068	35,174	35,198	48,652	31,319	14,344	12,801	5,464	2,285	98
Net increase/(decrease) in cash and cash equivalents	(2,479)	(0)	(0)	0	(0)	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	(12,789)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)
Cash and cash equivalents at end of year	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)

WSO Table 10: Projected statement of cashflows – drinking water

Statement of cashflows ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities											
Cash surplus / (deficit) from operations	5,324	5,629	6,927	8,209	7,234	9,749	12,995	14,432	14,886	15,257	15,450
[other items]											
Net cashflows from operating activities	5,324	5,629	6,927	8,209	7,234	9,749	12,995	14,432	14,886	15,257	15,450
Cashflows from investment activities											
[other items]					(1,982)						
Capital expenditure	(12,026)	(27,184)	(30,003)	(26,083)	(29,960)	(20,597)	(19,042)	(22,519)	(16,248)	(18,579)	(14,608)
Net cashflows from investment activities	(12,026)	(27,184)	(30,003)	(26,083)	(31,942)	(20,597)	(19,042)	(22,519)	(16,248)	(18,579)	(14,608)
Cashflows from financing activities											
New borrowings	6,190	21,555	23,077	17,875	24,708	10,848	6,046	8,087	1,363	3,323	(841)
Repayment of borrowings											
Net cashflows from financing activities	6,190	21,555	23,077	17,875	24,708	10,848	6,046	8,087	1,363	3,323	(841)
Net increase/(decrease) in cash and cash equivalents	(512)	0	0	0	(0)	0	0	0	1	1	2
Cash and cash equivalents at beginning of year	1,223	711	711	711	712	711	711	711	712	713	714
Cash and cash equivalents at end of year	711	711	711	712	711	711	711	712	713	714	716

WSO Table 11: Projected statement of cashflows – wastewater

Statement of cashflows ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities											
Cash surplus / (deficit) from operations	10,387	9,661	9,811	12,374	11,891	10,968	13,626	15,971	17,636	17,309	17,111
[other items]											
Net cashflows from operating activities	10,387	9,661	9,811	12,374	11,891	10,968	13,626	15,971	17,636	17,309	17,111
Cashflows from investment activities											
[other items]					(2,268)						
Capital expenditure	(22,372)	(13,139)	(20,156)	(27,140)	(31,146)	(29,628)	(19,548)	(18,030)	(19,330)	(14,408)	(16,765)
Net cashflows from investment activities	(22,372)	(13,139)	(20,156)	(27,140)	(33,414)	(29,628)	(19,548)	(18,030)	(19,330)	(14,408)	(16,765)
Cashflows from financing activities											
New borrowings	4,107	3,477	10,345	14,766	21,523	18,660	5,922	2,059	1,693	(2,901)	(347)
Repayment of borrowings											
Net cashflows from financing activities	4,107	3,477	10,345	14,766	21,523	18,660	5,922	2,059	1,693	(2,901)	(347)
Net increase/(decrease) in cash and cash equivalents	(7,878)	0	(0)	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	(8,849)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)
Cash and cash equivalents at end of year	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)

WSO Table 12: Projected statement of cashflows – stormwater

Statement of cashflows ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Cashflows from operating activities											
Cash surplus / (deficit) from operations	583	1,165	1,312	1,661	986	1,014	1,114	1,369	1,671	1,856	1,872
[other items]											
Net cashflows from operating activities	583	1,165	1,312	1,661	986	1,014	1,114	1,369	1,671	1,856	1,872
Cashflows from investment activities											
[other items]					(750)						
Capital expenditure	(1,913)	(1,201)	(3,064)	(4,219)	(2,657)	(2,825)	(3,489)	(4,024)	(4,079)	(3,721)	(3,160)
Net cashflows from investment activities	(1,913)	(1,201)	(3,064)	(4,219)	(3,407)	(2,825)	(3,489)	(4,024)	(4,079)	(3,721)	(3,160)
Cashflows from financing activities											
New borrowings	(615)	36	1,752	2,557	2,421	1,811	2,375	2,655	2,408	1,863	1,285
Repayment of borrowings											
Net cashflows from financing activities	(615)	36	1,752	2,557	2,421	1,811	2,375	2,655	2,408	1,863	1,285
Net increase/(decrease) in cash and cash equivalents	(1,944)	(0)	(0)	0	0	0	0	(1)	(1)	(1)	(2)
Cash and cash equivalents at beginning of year	2,692	748	748	747	747	747	747	747	747	746	745
Cash and cash equivalents at end of year	748	748	747	747	747	747	747	747	746	745	743

WSO Table 13: Projected statement of financial position – water services

Statement of financial position ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets											
Cash and cash equivalents	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)	(15,268)
Other current assets	0	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	621,550	655,073	707,349	762,258	823,589	877,104	915,148	959,385	993,382	1,029,888	1,057,914
Other non-current assets	0	0	0	0	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Total assets	606,282	639,805	692,081	746,990	813,321	866,836	904,880	949,117	983,114	1,019,620	1,047,646
Liabilities											
Borrowings - current portion	0	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0	0
Borrowings - non-current portion	114,435	139,504	174,678	209,876	258,528	289,847	304,191	316,992	322,455	324,741	324,839
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0	0
Total liabilities	114,435	139,504	174,678	209,876	258,528	289,847	304,191	316,992	322,455	324,741	324,839
Net assets	491,847	500,301	517,403	537,114	554,793	576,988	600,690	632,125	660,659	694,879	722,807
Equity											
Revaluation reserve	0	8,561	24,780	41,545	59,230	81,426	100,840	125,256	145,395	172,469	193,692
Other reserves	491,847	491,740	492,623	495,569	495,563	495,562	499,849	506,869	515,264	522,411	529,115
Total equity	491,847	500,301	517,403	537,114	554,793	576,988	600,690	632,125	660,659	694,879	722,807

WSO Table 14: Projected statement of financial position – drinking water

Statement of financial position ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets											
Cash and cash equivalents	711	711	711	712	711	711	711	712	713	714	716
Other current assets											
Infrastructure assets	232,318	255,760	283,166	308,516	335,465	356,568	372,360	394,870	407,308	425,991	436,308
Other non-current assets		0	0	0	1,982	1,982	1,982	1,982	1,982	1,982	1,982
Total assets	233,029	256,471	283,877	309,228	338,158	359,261	375,054	397,564	410,003	428,687	439,006
Liabilities											
Borrowings - current portion											
Other current liabilities											
Borrowings - non-current portion	33,637	55,193	78,270	96,145	120,853	131,701	137,747	145,835	147,197	150,520	149,679
Other non-current liabilities											
Total liabilities	33,637	55,193	78,270	96,145	120,853	131,701	137,747	145,835	147,197	150,520	149,679
Net assets	199,392	201,279	205,608	213,083	217,305	227,560	237,307	251,730	262,805	278,167	289,326
Equity											
Revaluation reserve	0	3,788	8,913	16,840	22,768	32,925	39,934	50,713	58,099	70,143	77,965
Other reserves	199,392	197,490	196,694	196,243	194,537	194,635	197,373	201,016	204,707	208,024	211,361
Total equity	199,392	201,279	205,608	213,083	217,305	227,560	237,307	251,730	262,805	278,167	289,326

WSO Table 15: Projected statement of financial position – wastewater

Statement of financial position ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets											
Cash and cash equivalents	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)	(16,727)
Other current assets											
Infrastructure assets	291,804	300,778	321,789	346,194	377,117	405,510	423,515	440,090	456,888	469,769	483,796
Other non-current assets		0	0	0	2,268	2,268	2,268	2,268	2,268	2,268	2,268
Total assets	275,077	284,051	305,062	329,467	362,659	391,051	409,056	425,631	442,429	455,310	469,338
Liabilities											
Borrowings - current portion											
Other current liabilities											
Borrowings - non-current portion	79,408	82,886	93,231	107,996	129,520	148,180	154,102	156,161	157,854	154,954	154,607
Other non-current liabilities											
Total liabilities	79,408	82,886	93,231	107,996	129,520	148,180	154,102	156,161	157,854	154,954	154,607
Net assets	195,669	201,165	211,832	221,471	233,139	242,871	254,954	269,471	284,575	300,357	314,731
Equity											
Revaluation reserve	0	3,298	12,144	18,454	27,747	36,834	46,608	57,169	67,199	78,789	89,377
Other reserves	195,669	197,867	199,688	203,017	205,392	206,037	208,345	212,301	217,376	221,568	225,354
Total equity	195,669	201,165	211,832	221,471	233,139	242,871	254,954	269,471	284,575	300,357	314,731

WSO Table 16: Projected statement of financial position – stormwater

Statement of financial position ($000)	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Assets											
Cash and cash equivalents	748	748	747	747	747	747	747	747	746	745	743
Other current assets											
Infrastructure assets	97,428	98,535	102,394	107,548	111,007	115,026	119,273	124,424	129,187	134,128	137,810
Other non-current assets		0	0	0	750	750	750	750	750	750	750
Total assets	98,176	99,283	103,141	108,296	112,505	116,523	120,771	125,921	130,682	135,622	139,302
Liabilities											
Borrowings - current portion											
Other current liabilities											
Borrowings - non-current portion	1,390	1,426	3,178	5,735	8,156	9,966	12,341	14,996	17,404	19,267	20,552
Other non-current liabilities											
Total liabilities	1,390	1,426	3,178	5,735	8,156	9,966	12,341	14,996	17,404	19,267	20,552
Net assets	96,786	97,857	99,964	102,561	104,349	106,557	108,429	110,925	113,279	116,355	118,750
Equity											
Revaluation reserve	0	1,475	3,723	6,251	8,715	11,667	14,298	17,374	20,097	23,536	26,349
Other reserves	96,786	96,383	96,241	96,309	95,634	94,890	94,131	93,551	93,182	92,819	92,400
Total equity	96,786	97,857	99,964	102,561	104,349	106,557	108,429	110,925	113,279	116,355	118,750

Appendix 1: Commitment Agreement

Refer to attached document

Appendix 2: Modelling assumptions

In the development of the WSDP and supporting financials, the Council used 2024/34 LTPs and 2025/26 Annual Plans as the base dataset, with some key adjustments and assumptions to reflect the proposed shift to a WSO including operating costs, efficiencies and the cost of borrowing. Additional allowances were also made to reflect the costs associated with Local Water Done Well. These assumptions are as follows:

Assumption	Commentary	Basis of assumption / source
Financing	LGFA has indicated that for multi-council WSOs the borrowing margin would be based on the weighted average borrowing margin of the participating councils. LGFA 10-year bond rate for unrated councils + 5bps (6%)	LGFA
Target covenant	LGFA guidance indicates that the WSO would have FFO-to-debt floor of 9%. The model targets 10% FFO-to-debt.	LGFA
Governance and incremental costs	Additional opex associated with a WSO include additional management costs, board fees, audit and other costs. These are assumed at approx.. $1.5m p.a.	
Establishment costs (one-off)	There are a series of capital costs associated with establishing an entity (fit out, staff IT equipment/networks etc.). Councils have provided an assumption of $5 million, split equally between Councils.	Note: It is assumed that operating costs associated with establishment will be debt funded.
Levies	Commerce Commission and Taumata Arowai levies will be built into the base case.	Commerce Commission and Taumata Arowai + population statistics
Operating efficiencies	Operating efficiencies are driven by a number of factors, including productivity gains arising from effective management practices, purchasing power, and more streamlined operations and maintenance. Efficiencies are modelled to being two years after the entity's establishment (FY30) and ramp to 0.35% p.a. (the midpoint of the efficiency range) until peak operating efficiency is achieved at FY44.	Martin Jenkins case study research
Capital efficiencies	Capital efficiencies reflect reductions in real unit costs from prudent investment decisions, streamlined cost structures, and market power from a larger entity having long-term investment policies. They are modelled to begin two years after the entity's establishment (FY3) and ramp to 0.4% p.a. (the midpoint of the efficiency range) until peak capital efficiency is achieved in FY44.	Martin Jenkins case study research
Price harmonisation	No price harmonisation*	Agreed by Councils
Establishment date	Joint WSO is operational from 1 July 2027.	Agreed by Councils
Three waters	Water supply, wastewater and stormwater transferred to the entity.	Agreed by Councils

** Determining a non-harmonised price path.*

1. *The model takes the initial debt, revenues, and expenditures for each constituent council, effectively ringfencing borrowing, revenues, and expenditures.*
2. *Establishment costs and ongoing incremental costs are allocated back to each council using the agreed basis for apportionment. E.G. If the costs are $5 million, and Council A's apportionment is 20%, then $1 million is allocated to Council A.*
3. *Entity level efficiency assumptions are applied each individual council's forecast opex and capex projections.*
4. *In summary, the net cashflow impact of the establishment and incremental costs are allocated back to each council's starting operating and debt positions. The price path for each council is then recalculated by solving, at the council level, for the revenues required to maintain the FFO-to-debt ratio at 10%. Note, this calculation is performed for each council, resulting in varying revenue per connection at council level.*

This approach has the effect of sharing the net benefits of efficiency savings with each district, by lowering prices relative to their standalone price path, but does not result in cost sharing between districts.

Appendix 3 Water Services

Water Services

- Water Services comprises supplying (drinking) water and managing wastewater and stormwater to specified population centres.
- All three services will be transferred to a council-controlled organisation, the Water Services Organisation.

Water Supply **Te Wai**

Overview

- The water supply activity involves the management, operation and maintenance of the district's water supply network. Council is responsible for providing safe, clean drinking water to domestic, commercial, and industrial customers connected to its water supply networks as a matter of public health.

Our Goal

- To ensure a reliable supply of safe drinking water to our communities.

What we do ***Ā mātau mahi***

- We manage water supply schemes to the towns of Dannevirke, Pahiatua, Woodville, Eketāhuna, Norsewood, Ākitio and Pongaroa. Treatment varies between schemes, from chlorine, microfiltration, ultraviolet, and combinations of these. Over 5,000 residential properties are served.

Why we do it ***Te take o ā mātau mahi***

- Effective management of water is critical to supporting human, animal, and plant life, and to supply industrial and economic needs. The Local Government Act 2002 and other legislation mandates local authorities' actions regarding water supply.

How we do it ***Ka pēhea rā ā mātau mahi***

- Water treatment plants have scheduled inspections, monitoring and servicing, and prioritised repairs or other actions taken, for the reticulation network as defined in the Tararua Alliance Operations and Maintenance contract.
- Treatment plants have received significant investment over the last four years to meet Drinking Water Standards, increased focus on maintenance schedules is improving asset resilience. Dannevirke impound dam, being a critical asset, has been assessed at risk, requiring significant investment in 2024 through 2026 to address risk of failure.

Significant Negative Effects ***Ngā Pānga Kino Nui***

- Potential depletion of the natural water resource by over-extraction of water.
- Impacts on waterways from extraction, including limiting the remaining allocation available.
- Cultural impact of groundwater abstraction and network water losses.
- Chemical addition may be required (e.g. fluoridation) as dictated by legislation.

Key Performance Areas

- Water provided is safe to drink
- Maintenance of the reticulation network is effective
- Issues relating to water supplies are responded to
- Customers are satisfied with supplied water
- Water demand is managed effectively

Current Challenges

- Currently unable to meet the NZ Drinking Water Standards for all of our schemes.
- High unaccounted for water (UFW) has been reported. Minimum night flows in some locations are reported to be as high as 50% of daytime demand which is considered high.
- Water restrictions are being implemented due to increased water consumption and low source flows.

Recent Achievements

- Three treatment plants upgraded (Pahiatua, Pongaroa, and Ākitio).
- Installation of backwashing system at Woodville Treatment Plant
- Impounded storage added at Dannevirke 140ML and Woodville 90ML
- Reservoir Storage added at Pahiatua 8ML to reduce periods of water restrictions
- Protocols for managing water restrictions developed to aid community engagement and lessen the impact of water restrictions
- 100 smart meters installed to trial new technology and gain a better understanding of water consumption
- Identified connections without backflow preventors

Statement of Service Performance – Water Supply

Wastewater **Te Wai Kino**

Overview

- The wastewater activity includes four wastewater schemes serving our urban communities. Council collects, treats and disposes treated wastewater from domestic, commercial and industrial premises.

Our Goal

To ensure efficient and reliable wastewater treatment that meets agreed environmental outcomes.

Key Performance Areas

- Performance indicators will transfer to the WSO following transition and will be reported by the WSO from the 2027/28 year.
- The wastewater system is adequate
- Risks to public health and our natural environment are minimised

What we do ***Ā mātau mahi***

- Wastewater reticulation systems are provided in the urban areas of Dannevirke, Pahiatua, Woodville, Eketāhuna, Norsewood, Pongaroa and Ormondville. Rural houses manage their own effluent.
- Primary treatment is done onsite by industries to comply with trade waste discharge limits set by Council before discharging to the public wastewater system, where it is treated and discharged to land and/or water, ultimately discharging to the ocean.

Why we do it ***Te take o ā mātau mahi***

Effective management of wastewater is critical to supporting human and environmental health, and to support industrial and economic needs. The Local Government Act 2002 and other legislation mandates local authorities' actions regarding wastewater management.

How we do it ***Ka pēhea rā ā mātau mahi***

Wastewater treatment plants have scheduled inspections, monitoring and servicing, and prioritised repairs or other actions taken, for the reticulation network as defined in the Tararua Alliance Operations and Maintenance contract.
Many of the treatment plants are reaching end of lifecycle with new consents due for renewal or recently granted with additional conditions, placing the plants at risk of not being able to treat wastewater to the standards required. This is mainly due to the age of the plants and treatment processes not keeping pace with modern requirements.

Significant Negative Effects ***Ngā Pānga Kino Nui***

- Contamination of waterways associated with wastewater.
- Leakage from system contaminates groundwater.
- Trade waste contaminants inappropriately discharged.
- Odour from poor treatment practices impacts on other landowners.
- Cultural values could be negatively impacted by low quality treated wastewater disposal, namely:
- Wastewater discharge can lead to localised damage of river habitats.
- Discharge to waterways impacts on "mauri", and on traditional fishing sources and recreation sites.

Statement of Service Performance – Wastewater

Performance indicators will transfer to the WSO following transition and will be reported by the WSO from the 2027/28 year.

Stormwater Te Wai Ua

Overview

- Stormwater is the runoff of rainwater which requires management and disposal using various drainage systems. Council has stormwater reticulation with associated manholes and sumps, as well as open stormwater channels drains.

Our Goal

- To ensure efficient stormwater network capacity that protects built assets and people from flood events.

Key Performance Areas

- The stormwater system is adequate
- Risks to public health and our natural environment are minimised
- Issues relating to the stormwater system are responded to
- Customers are satisfied with stormwater systems

Current Challenges

- Performance of the network is not formally measured and is based more on staff knowledge and customer requests.
- A stormwater model was developed although suggested that redesign of the current systems is required to enable delivery of current and forecast future customer expectations.

Recent Achievements

- Initial investigations into stormwater network modelling completed
- Pahiatua Town Centre stormwater improvements
- No habitable floors flooded in urban stormwater

What we do Ā mātau mahi

- We manage and maintain an urban network of pipes and open channel drains to safely direct stormwater to inland streams and to the ocean.
- Stormwater reticulation infrastructure is provided in the urban townships of Dannevirke, Pahiatua, Woodville and Eketāhuna.
- Our stormwater network includes:
    - 28 kilometres of stormwater pipelines
    - 26 kilometres of open channel drains and streams
    - 1,160 maintenance chambers and sumps

Why we do it Te take o ā mātau mahi

- Effective management of stormwater is critical to collect and dispose of excess stormwater in order to protect built assets and provide safe urban environments. To comply with the Local Government Act 2002 and other legislation mandates local authorities' actions regarding stormwater management.

How we do it Ka pēhea rā ā mātau mahi

- Stormwater assets have scheduled inspections, monitoring and servicing, and prioritised repairs or other actions taken, for the reticulation network as defined in the Tararua Alliance Operations and Maintenance contract.
- We have 28,390 metres of stormwater pipes and the following have been identified as critical assets:
    - Dannevirke culvert – this is a large diameter brick culvert that runs under buildings and the State Highway and through private property and there are limited entry points.
    - Pahiatua, Town Creek culverts – in various places along the channel's route it runs under buildings and through private properties and there are limited entry points to maintain.
    - Issues and challenge; Ngā raru me ngā wero
    - Stormwater discharges can result in some contaminants from roads and other hard surfaces entering waterways.
    - Increasing flood levels of waterways that stormwater discharges into.
    - Urban development increases the contaminant load in stormwater discharges.
    - Safety issues from open drains, particularly when in high flow conditions.
    - Cultural matters; Te Ritenga

Strategic Alignment Te Whakahāngaitanga Rautaki

Quality community infrastructure is provided to meet the needs of future generations and support our long-term prosperity.

The alignment of water services: drinking water, wastewater and stormwater with our four key strategic themes is assessed as follows:

- Thriving District Medium
- Improving our Environment High
- Connected Communities Medium
- Interactive Council Low

Te Tiriti o Waitangi Alignment Te Whakahāngaitanga o Te Tiriti o Waitangi

Consideration for the Treaty across the activity:

1. **Kāwanatanga governance and the relationship between Treaty partners (shared decision making)**
- Establish regular water liaison meetings with Iwi.

2. **Tino Rangatiratanga the right to be self-determining in all areas (self-determination)**
- Actively seek Iwi input into water related decision making.

3. **Ōritetanga equity between Māori and tangata Tiriti**
- Identify forums to engage with Iwi on water matters.

4. **Te Ritenga protecting the customs, beliefs, values, faiths and aspirations of Māori (whakapono)**
- Seek to better understand Māori customs and practices as they relate to water.

Appendix 4 Tararua Growth

Growth Strategy

To promote growth key changes made are being reflected in Draft District Plan (on hold as the RMA is revised by Government). These are:

Zoning Flexibility

- Adopted "Mixed Use" zoning to replace commercial zones, providing greater flexibility for town centre landowners

Legislative Framework

- Updated legislation framework for Growth Strategy consideration to reflect current Government changes

Urban Development Approach

- Shifted from "guidelines" approach to direct policy integration within the District Plan Review for promoting quality urban development

Dannevirke Expansions

- Expanded residential area west of Dannevirke to preserve space around existing waterways
- Completed flood modelling of Taupata Stream to inform flood avoidance and mitigation for Proposed District Plan Review

Industrial Zoning Removals

- Removed recommended industrial zoning south of Dannevirke to avoid impacts on Māori owned land
- Removed recommended industrial zoning within Pahiatua to avoid effects on neighbouring residents and marae

Minor Adjustments

- Made various smaller location changes to proposed residential zoning in Woodville, Pahiatua and Eketāhuna

Current Population Trends

The June 2024 population estimate is 19,050, slightly below 2024-34 LTP assumptions. Current Forecast is that this will be 20,981 by 2034 (+10%). Urban growth has been very low over the last two years. Births in 2024 were at 20-year lows, though recovered in March 2025.

- In 2025, Tararua's population is growing at approximately 0.5% annually (around 100 people per year), slower than previous years.
- New house building has declined significantly since late 2023, mirroring national trends where developers cannot achieve profitability.
- Census 2023 - 4% increase on Census 2018 (0.8% a year).
- Consistent with assumptions. Stats NZ latest estimates for June 2023 (18,950) and June 2024 (19,050, +0.5% growth for the year) revised down on lower immigration, lower birth rate and very few new houses.
- Very low urban growth has implications for 3 waters costs.
- The new **Te Ahu a Turanga – Manawatū Tararua Highway** expected to boost growth 2025/26. This was an $823 million project comparing to the entire District rating capital value of $9.3 billion as of 1 September 2023 – i.e. 8.6% of the district value.

Population Distribution

Area	**Split**	**2024 Population**	**Change 2023-24**
Dannevirke		5,680	0.2%
Pahiatua		2,860	-0.7%
Woodville		1,710	1.2%
Eketāhuna		580	0.0%
Four Main Urban Towns	57%	10,830	
Rural/Other	43%	8,220	1.0%
	100%	**19,050**	
2034 Forecast		20,981	10%

Growth by Towns

	Statistics NZ Existing Population	Statistics NZ Projected Population	Council Aspirational Population	Estimated Existing Households	Council Aspirational Households	Estimated Additional Households
	2023	2053	2053	2023	2053	2053
Dannevirke	5,788	6,776	7,000	2,410	3,000	590
Woodville	1,664	2,257	3,000	760	1,250	490
Pahiatua	2,882	3,623	4,000	1,200	1,750	550
Eketahuna	575	723	1,000	290	425	135
Total Towns	**10,909**	**13,379**	**15,000**	**4,660**	**6,425**	**1,765**

PROJECTED POPULATION AND HOUSEHOLDS

	STATS NZ EXISTING POPULATION 2023	ESTIMATED EXISTING HOUSEHOLDS 2023	STATS NZ POPULATION PROJECTION 2053	COUNCIL ASPIRATIONAL POPULATION 2053	COUNCIL ASPIRATIONAL HOUSEHOLDS 2053	ESTIMATED ADDITIONAL HOUSEHOLDS BY 2053
Dannevirke	5,788	2,410	6,776	7,000	3,000	590
Woodville	1,664	760	2,257	3,000	1,250	490
Pahiatua	2,882	1,200	3,623	4,000	1,750	550
Eketāhuna	575	290	723	1,000	425	135
Total Towns	**10,910**	**4,660**	**13,379**	**15,000**	**6,425**	**1,765**

Industrial Commercial Growth

Business and Economic Research Ltd ("BERL") has forecast future growth in the commercial and industrial sectors. BERL's "Business As Usual" scenario entailed a district wide forecast based on the Statistics NZ high population growth scenario, and the results of the latest business as usual forecast from BERL's national computable general equilibrium ("CGE") model. District level forecasts were then distributed across Tararua District's four main centres and a combined rural area.

Current land use and occupancy data was provided by the Council for commercial and industrial land. Future occupancy of commercial and industrial land was then estimated assuming the ratios of Full Time Equivalents ("FTE"s) per hectare for each industry will remain constant over the forecast period. Under this scenario, GDP generated in Tararua District is forecast to grow by $378 million from 2022 and reach $1.208 billion by 2053 (an average annual increase of 1.2 percent). GDP growth is forecast to be led by rural Tararua District which will see GDP increase by $188 million to reach $631 million by 2053. Dannevirke is expected to grow by $109 million at an annual growth rate of 1.2 percent.

The greatest proportional growth is expected in Woodville and Eketāhuna where the average annual growth rate over the period is anticipated to be 1.6 percent. The number of full-time equivalent employees (FTEs) is forecast to grow by 1,367 from 2022 to 2053, at an annual growth rate of 0.6 percent. Rural Tararua District and Dannevirke are expected to see the greatest increase in the total number of FTEs, at 480 and 468 respectively. Information on this page was supplied to Tararua District Council by BERL, www.berl.co.nz

The area of commercial and industrial land that is anticipated to be occupied will increase by 56 hectares at an annual growth rate of 1.2 percent. These predictions result in an additional 43 hectares of industrial land required by 2053. In rural Tararua occupied industrial land is expected to grow at 1.6 percent per annum resulting in an additional 31 hectares of occupied industrial land by 2053. Dannevirke is expected to see occupied industrial land grow by seven hectares by 2053. An additional 13 hectares of commercial land will be required by 2053. 7 hectares will be needed in Dannevirke, 3 in Pahiatua, and 1 hectare each in Woodville and Eketāhuna.

Supporting Growth Factors

- New highway enabling commuting to Palmerston North
- Continued rental demand and rent increases
- New District Plan with growth areas planned
- Many new lifestyle block subdivisions

Growth Risks

- Carbon forestry reducing rural population
- Declining birth rate
- Increased overseas emigration
- Housing shortage limiting new residents
- Reduced public housing support

Migration and Housing

- Net international migration for Tararua shows small losses since 2021, though Stats NZ estimates +90 gain for year to June 2024. Internal NZ migration shows estimated +40 people gain.
- Rental market remains tight with average rents exceeding $450, creating affordability challenges. New housing consents have fallen 50%+ from peak levels, with 60% of new builds now in rural rather than urban areas.

Ageing Population

- Median age is 42.2 years (vs 37.9 nationally). Residents aged 65+ now comprise 21.9% of population (vs 17.7% nationally) and accounted for 75% of population growth since 2018. This group increased 3.1% in the year to March 2025.

Measure	**Change / Result**	**Period**	**Comment**
Population	District - Up 0.5% Urban – up 0.2% Rural – Up 0.9%	Year to June 2024	June 2024 Stats NZ estimate 19,050, June 2023 Est 18,950 (revised down). Urban +0.1% Rural +1.0% 2023 census - up 4% from 2018.
Births and Deaths net gain	+42 +9	Year to March 2025 Year to March 2024	Births declined in 2024 (living costs stress?) but increased in March 2025.
New house consents (new and relocates)	47 = -20% on April 2024	April 2025 year	12 months to April 25 = 47 (21 new and 26 relocate house consents). Compares to 59 (30 new, 29 relocates) April year 24.
Ageing Population – Superannuation numbers	3.1% (NZ up 3.2%)	Year to March 2025 – MSD	Growth trend strong – now 4,179 residents on Super (est. 21.8% of population).
Median Age	42.4 years	2023 Census and June 2024 update	Median age increased from 41.8 in 2018.
Māori share of Population (Māori Descent)	29%	2023 Census	NZ average is 20%. Increasing quickly.
Household Numbers Stats NZ Census	+2.9% +4.2%	2013 – 2018 2018 - 2023	Household occupancy up marginally. Shortage of rentals now easing.
Total Employment (living in Tararua)	-0.3%	As of Dec 2024 – Annual change	8,694 jobs December 2024 – down 0.3% from Dec 2023. NZ down 1.6%.
# of Business Units	-0.7%	As of Feb 2024 – Annual	There were 2751 businesses (separate geographic units) in Feb 2024, down from 2769 in Feb 2023. Farm amalgamations, retail closures. NZ + 0.9%