

Water Services Delivery Plan

Ashburton District Council

2025

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

Statement that water services delivery is financially sustainable

Introduction

Ashburton District Council (Council) has historically invested well into its three-waters infrastructure. This is demonstrated by reasonable asset condition, a major capital work programme to progress with compliance (detailed in Part B) and financially sustainable delivery of services (detailed in Part D). This plan covers the 10-year period from 2024/25 to 2033/34.

A Stand-alone Business Unit (SABU) will be established to deliver water services for Ashburton District. It will operate within Council's existing organisational structure, with additional autonomy due to its own Water Services Strategy, budget, revenue and governance.

There will be a transitional period of two years (until 30 June 2027) where the implementation plan (outlined further in the document) will be progressed.

Council water services currently meet revenue, investment and financing sufficiency. This is not forecast to change between now and 30 June 2028. Council has enough headroom to borrow for unexpected events.

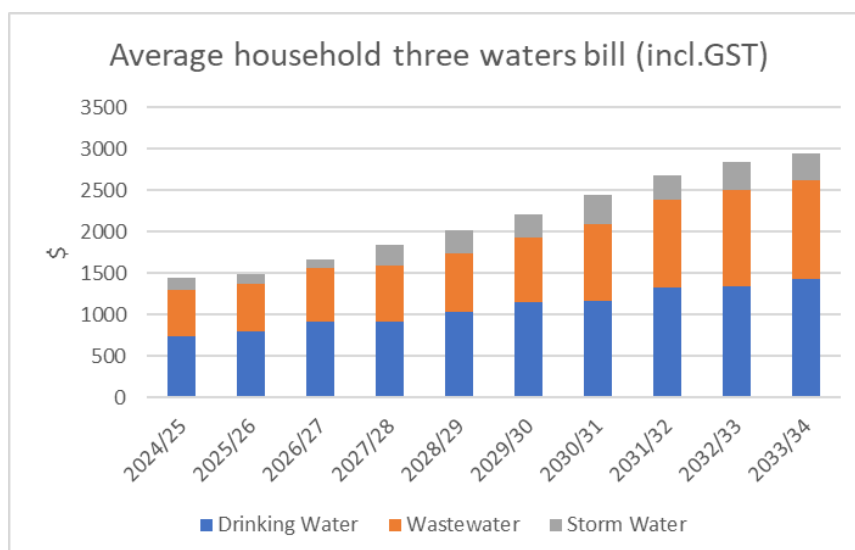
Council confirms that it meets the Financially Sustainable delivery assessment, as detailed in Part D of this plan. A summary of financial sustainability is provided below.

Revenue Sufficiency

Council's projected revenues are sufficient and meet the 'revenue sufficiency' test. Projected revenue is greater than projected expenditure, with the net surplus used to fund renewals expenditure and repay debt.

94% of revenue is collected through rates (general and targeted) for water services (2024/25). The remainder is collected through fees and charges, financial and development contributions and other revenue.

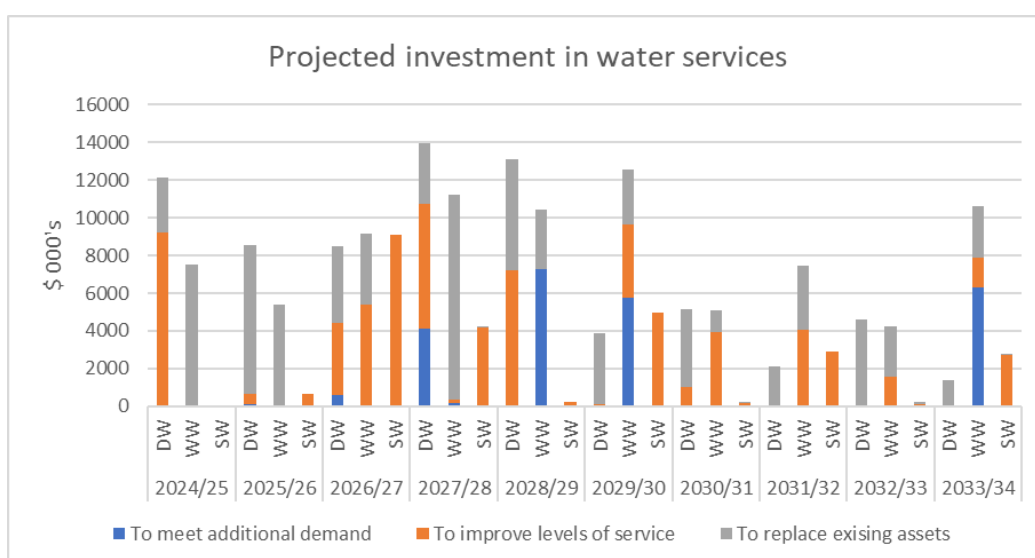
Over the period, an increase in revenue is required to fund, deliver and manage water services upgrades to meet the required capital programme.



Both Water Supply and Wastewater services are charged via targeted rates. Stormwater is currently charged for through the General rate and Urban Amenity rate – a targeted Capital Value rate. The urban amenity rate is allocated to meet the cost of various services including stormwater, footpaths, parks and open spaces. This funding mechanism will require a review to ensure appropriate ring-fencing. Therefore, a review of the Revenue and Financing Policy is scheduled for adoption alongside the 2027-37 Long Term Plan (LTP). Council is planning to install water metering in remaining communities where these are currently not installed. Meters are currently used for volume monitoring and leak detection and Council has not committed to using water meters for volumetric charging.

Investment Sufficiency

Investment is required to address strategic issues, including providing for growth, resource consenting and meeting levels of service. To meet regulatory requirements and forecasted growth, the Plan includes projects requiring renewal or upgrading as budgeted for in the Long-Term Plan 2024-34. In addition, new projects identified through the Local Water Done Well process to meet regulatory and water quality requirements are funded in planned years. Some of these projects were signalled through the 2024-34 Infrastructure Strategy but not funded in the LTP 24-34. Council's proposed water services investment is sufficient and meets the 'investment sufficiency' test and meets all known growth, renewal, levels of service and anticipated regulatory requirements. This is further detailed in Part B and Part D.

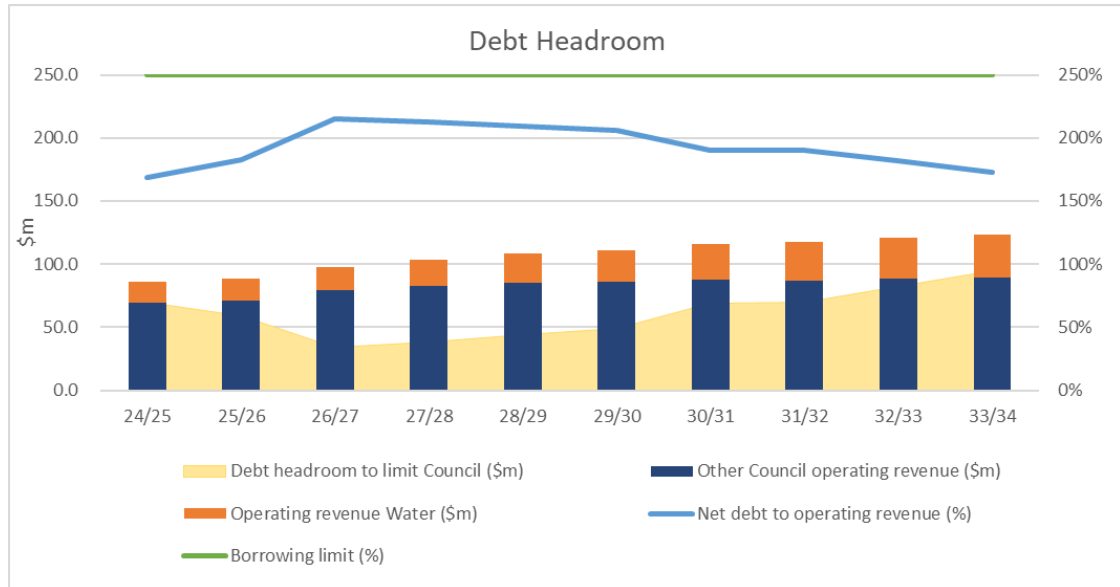


All proposed levels of investment required are fully funded. Asset renewals will be funded by depreciation where accumulated renewals fund in the relevant scheme's account are sufficient, otherwise they will be funded by debt. New and upgraded infrastructure to meet regulatory requirements and increased levels of service will be funded by debt. New and upgraded infrastructure to provide for growth will be funded by development contributions.

From 2026/27 the plan transitions to a 100% depreciation recovery approach used to fund renewals and debt repayment. The plan initially discounts depreciation funding in order to alleviate the cost of rising charges to users. By 2029/30 Water Supply and Wastewater are working on a 100% recovery basis. Stormwater is forecast to recover 30% of depreciation over the plan. Council considers this prudent due to the majority of capex programme for this activity attributable to increasing levels of service. The total rate requirement is divided by the number of connections to arrive at an overall charge.

Financing Sufficiency

In addition to increased revenue, borrowing will be required to fund the capital programme. Council is within treasury policy borrowing limits of 250% of operating revenue, with available headroom to cover unforeseen events. This is shown by the graph below:



Proposed delivery model to deliver financially sustainable water services

Existing Delivery

Existing water services delivery involves three essential areas: water supply, wastewater, and stormwater. Council is responsible for planning, funding, building and maintaining the infrastructure and processes that support the provision of these services. This includes ensuring they meet community needs and agreed levels of service, comply with regulatory, environmental and quality standards, and address challenges such as population growth and climate change.

Water Supply, wastewater and stormwater are all included in this Water Services Delivery Plan (WSDP).

Water supply

Council operates 10 community drinking water supplies across the district, which service more than 10,800 homes and businesses.

There are over 520 kilometres of reticulated drinking water infrastructure that services Ashburton (including Tinwald, Lake Hood and Fairton), Methven (including Methven-Springfield), Rakaia, Hinds, Mt Somers, Mayfield, Chertsey, Hakatere, Dromore, and Montalto.



Water sources for drinking water include groundwater bores, infiltration galleries, and surface water intakes. Environment Canterbury (as the Regional Council) allocates water via resource consents, which set upper limits on the volume of water that can be taken from the various water sources. The Water Services Authority - Taumata Arowai sets drinking water standards, quality assurance rules and environmental performance measures that we are required to follow, to meet our duties as a water supplier under the Water Services Act 2021.

Wastewater

Council manages wastewater collection, treatment and disposal services for communities across the district. There are three community-based wastewater schemes that service approximately 64% of the district's population.

Most of the reticulated network operates on gravity, with 18 pump stations used to service defined subdivisions. The largest pump stations serve Lake Hood and the Ashburton Business Estate.

Wastewater is collected and then transferred to wastewater treatment plants. Ashburton and Methven use aeration and oxidation ponds for treatment, while Rakaia uses clarifiers, a trickling filter and UV disinfection. In all cases, treated wastewater is discharged to land.

The Wilkins Road, Ashburton treatment plant also accepts septage waste from private septic tanks, transported by private liquid waste carriers, enabling safe treatment and handling of residual waste from customers not connected to the reticulated networks. There are also caravan waste dump stations on each network to handle this waste stream.

Stormwater

Council provides urban stormwater collection and disposal networks in Ashburton, Methven and Rakaia. Lake Hood and Hinds have small systems of swales and open drains. These networks and systems aim to ensure property and the environment are protected from flooding, and that roads and footpaths continue to be accessible during rain events.

In Ashburton, stormwater from residential, commercial and industrial properties is collected via gravity pipelines and open drains before being discharged to soakage pits and watercourses. Some stormwater is held in detention and infiltration basins. There is also a retention pond adjacent to Mill Creek for flood control.

Ashburton has the only system where stormwater discharges to the kerb and channel from private dwellings. From the kerb and channel the stormwater enters the system. New houses typically dispose of stormwater to ground on site via soak pits.

Methven and Rakaia have limited piped stormwater networks. Most Methven stormwater is disposed of, via kerb and channel, to the main stockwater race or to the 'Garden of Harmony', which functions as a stormwater detention and soakage area. Rakaia stormwater is discharged to soak pits or to the Rakaia River. System capacity is adequate with no significant flooding issues, although there is some nuisance flooding.

Ashburton has a network-wide stormwater consent, which includes a programme of capital and operational projects and measures to monitor and maintain water quality in the receiving environments. Consents for Methven and Rakaia are being worked on and will be applied for in the near future.

Proposed Delivery Model

Council has formally endorsed implementing a Stand-Alone Business Unit (SABU) model as their proposed water services delivery model.

Key benefits:

Establishment of a SABU acknowledges the benefits in preserving local governance, reinforcing accountability, and cultivating a direct and transparent relationship between the Council, residents, users and ratepayers. This decision reflects the strong community preference expressed during the consultation process, where an overwhelming majority supported the SABU model (see Consultation and Engagement Section). In summary, key benefits are:

- **Adaptability:** Council's existing organisation allows for the efficient integration of the new requirements, including use of existing resources.
- **Direct local accountability:** Accountability and transparency remains with democratically elected members.
- **Integrated services:** Existing relationships and structures are in place within Council operations (e.g. planning, asset management, property, strategy, civil defence emergency management), and external relationships with key stakeholders including mana whenua and Environment Canterbury. This model enables Council to take advantage of these shared overheads, relationships and expertise, while coordinating water services alongside other Council services.

- **Affordability:** The SABU model is financially viable, with modelling indicating a lower household cost compared to the alternative models assessed.
- **Compliance:** Council continues to work towards full compliance with regulatory requirements, with the WSDP detailing projects to achieve full compliance.
- **Pricing:** Council maintains full control over charging mechanisms but would be subject to oversight from the Commerce Commission.
- **Funding capacity:** Maintains current borrowing capacity capped at 250% of revenue by Council, however through the Local Government Funding Agency (LGFA) we could lift this to borrow up to 280% of revenue, with sufficient debt headroom.

Key components

The SABU will be established to meet the requirements of water legislation, including increased financial ring-fencing and compliance with water quality and new economic regulation requirements. The SABU will be responsible for the planning, design, and management of delivery for three waters services.

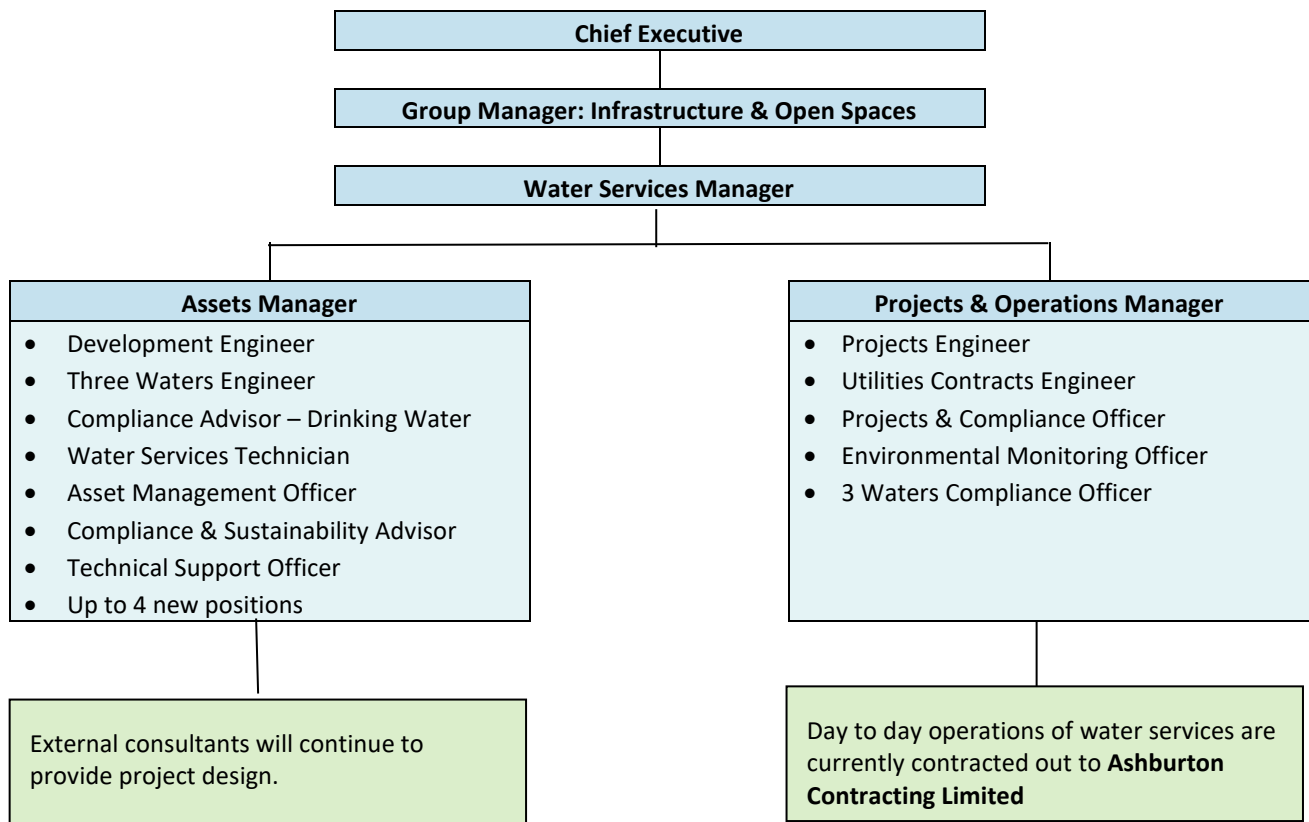
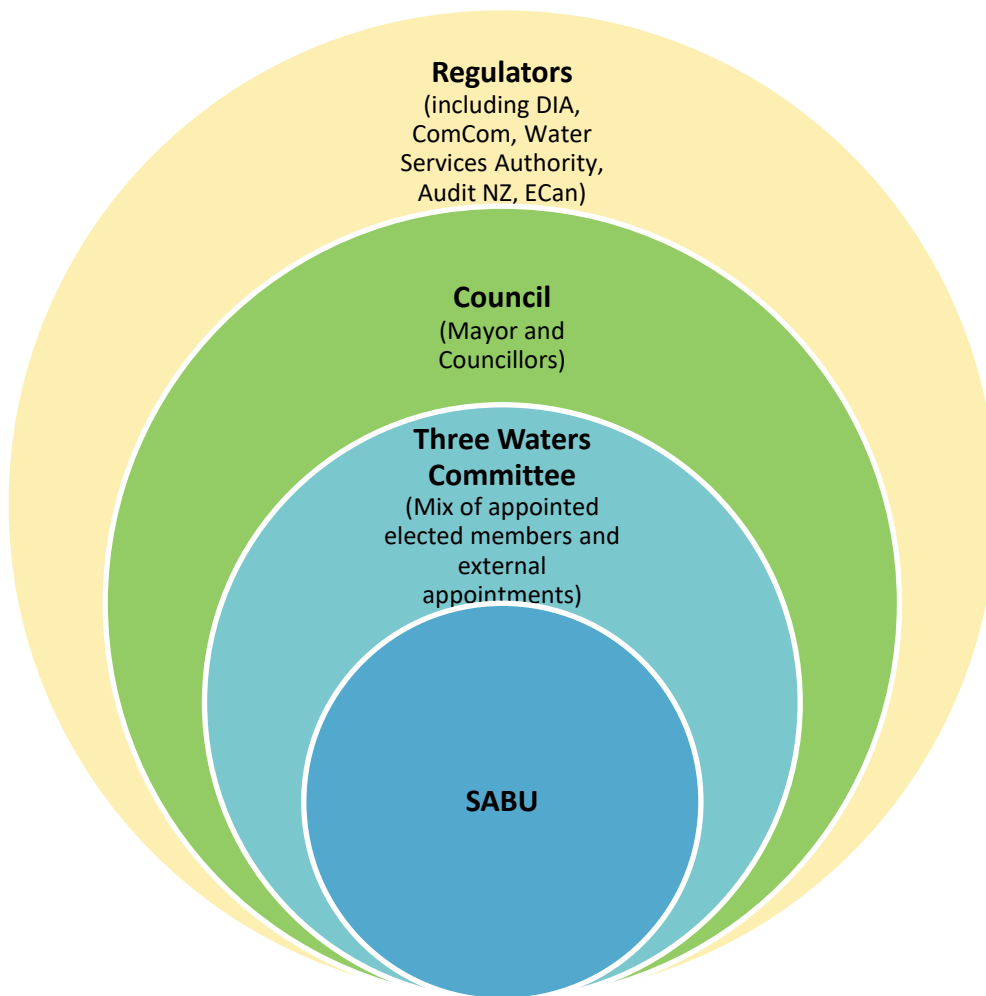
The following table summarises key components of the SABU model:

Component	Summary
Scope	The SABU will include all three water services for Ashburton District – water supply, wastewater and stormwater, as summarised above under Existing Delivery and in Part B: Network Performance.
Ownership	Wholly owned by Council as a Business Unit within the organisational structure.
Governance	Responsible to Council through established mechanisms under Local Government Act 2002. Council will appoint a committee to separate three waters governance, the committee may include independent experts as well as elected members.
Strategy	Will prepare a Water Services Strategy, in line with legislation and Council's policy, strategies, and objectives.
Accountability	Will prepare Water Services focused annual reports and financial statements, in line with legislation and Council reporting timeframes.
Borrowing	Borrows directly through Council, with the SABU meeting its share of financing costs (on internal and external borrowing). Debt limits will continue to follow Council's financial strategy.
Resourcing	Will include all existing Water services staff, with a proposed staff organisational structure outlined below, and additional resource with new roles as required or use via service level agreements of existing Council departments. Continued outsourcing of projects for design to external consultants. Day to day operations of water services will continue to be contracted out.
Internal Council connections	Support to the unit will be provided from across the Council operation, with Service Level agreements established with relevant departments, including meeting the share of the cost of this support.

Organisational Structure

The SABU will operate as a part of the wider Council organisation, including connections with external and internal partners, with its operations financially ring-fenced from other activities to comply with regulatory requirements.

The diagrams below show the proposed governance and organisational structure for the SABU.



Approach to Ringfencing Water Services revenue

Water Services are largely ring-fenced within existing Council operations, except for stormwater. As included in the Implementation Plan shown in the following section, to enable full ring-fencing these tasks will be required prior to implementation of the SABU:

- Maintain balance sheet and rates separation ensuring that Water Services revenues and expenditures are attributed specifically to water, wastewater and stormwater activities.
- Separate management of all revenues, operating expenditure, capital expenditure and debt servicing for water services. This includes cash surpluses being retained for future expenditure on Water Services.
- Establishment of service level agreements for internal Council services (e.g. Information services, finance, strategy and policy, people and capability).

Revenue Collection Approach

Council currently uses a mix of rates and user charges to collect revenue for Water Services. Rates are predominately targeted, with water supply and wastewater paid for by those who use the service. Water Supply and Wastewater rates are harmonised across the District where the service is received.

Under the SABU, governance of water services and the authority to set rates will remain with the elected Council. The Revenue and Financing Policy outlines the existing charging and funding arrangements for water services, and the current policy is expected to continue as Council transitions to the SABU.

However, some adjustments to the charging and funding structure for water services will be introduced, which will be incorporated through a revision of the Council's Revenue and Financing Policy. This includes adjustments to stormwater funding, as outlined above. At this stage, Council has not committed to a volumetric or fixed charges regime for Water Supply.

Implementation plan

Implementing the proposed service delivery model

Council has committed to the following draft implementation plan for the proposed service delivery model. This is based on its current understanding of the legislative and regulatory framework the Water Services SABU will be subject to, internal requirements for establishment, anticipated resourcing and governance.

Draft implementation plan timeframes are set out below and in the Additional Information at the end of the WSDP. These will be refined as the detailed Implementation Plan is developed. The Plan will be implemented by an internal establishment team, including staff from across the organisation and external support as required. Progress will be reported to the Water Services Committee and/or Council.

Key timeframes and milestones are set out below:

	Start Date	End Date	Milestones
Phase 1: WSDP confirmation and Preliminary Establishment	1 September 2025	30 June 2026	
• Establishment Team in place			By 30 Sep 2025
• Publish WSDP (<i>depending on DIA acceptance</i>)			By 31 Oct 2025
• SABU Gap Analysis complete			By 28 Nov 2025
Phase 2: SABU Preliminary Establishment	1 July 2026	30 June 2027	
• Service Level Agreements (SLAs) confirmed			By 30 Sep 2026
• Financial separation, funding arrangements and systems in place			30 April 2027
• Water Services Strategy adopted			By 30 June 2027
Phase 3: SABU Full Implementation	1 July 2027	Ongoing	
• SABU launch			1 July 2027
• SABU fully staffed/resourced and change management processes completed (where required)			By 1 July 2027
• Water Services fully ring-fenced			By 1 July 2027

Phase 1: Confirmation from DIA of Water Services Delivery Plan and preparation for SABU establishment (September 2025 to June 2026)

Key Activities:

- Receive feedback from DIA on WSDP. Update and finalise as required.
- Appoint a project team to oversee the SABU establishment, with progress reports to the Three Waters Committee.
- Develop detailed implementation plan, covering all aspects of SABU establishment, required tasks to meet legislative and regulatory requirements, timing, and resourcing.
- Define the role and function of governance for SABU, including Terms of Reference, Committee Membership, delegations, and independent appointments.
- Conduct gap analysis of SABU, including ring-fencing and reporting requirements and need for additional staff required to manage regulatory and compliance workstreams.
- Prepare 2026/27 water services budgets for the Annual Plan to meet the findings of the gap analysis.
- Update job titles and position descriptions for existing staff within the SABU structure to align with new business requirements and confirm with People and Capability if a change management process is required for identified roles. This includes any necessary line reporting changes or team structure changes.
- Establish new Water Services governance arrangements for the 2025-28 Council term, following the 2025 local government elections.
- Define Strategy, Policy and Bylaw framework for the new SABU.

Phase 2: Preliminary establishment of SABU (July 2026 – June 2027)

Key Activities:

- Develop and finalise formal Service Level Agreements (SLAs) between the SABU and other Council service providers including:
 - Executive Team – responsible for the strategic direction and daily operations of the organisation
 - Roading Teams – Internal unit responsible for roading and transport functions, including the management of road drainage assets.
 - Finance and Rating team - Internal team responsible for collection of rates, finance, treasury, budgeting and forecasting, vehicle and plant
 - People & Capability – Internal team responsible for Human Resources, and Health & Safety support services
 - Information Systems – Internal team responsible for IT, Hardware & Software, Information Management and GIS
 - Customer Services – Internal team responsible for managing incoming customer enquiries including CRM allocation
 - Governance – Internal team responsible for managing meeting scheduling, agendas, minutes and governance support
 - Strategy & Policy – Internal team responsible for managing development and review of Council corporate documentation (LTP, Annual Plan, Annual Reports) and strategies, policies and bylaws
 - Communication – Internal team responsible for organisational public relations including media statements and enquiries, Council social media and messaging
 - Property – Internal team responsible for building, accommodation, support services for procuring land and easements
 - Regulatory Services - Internal teams responsible for planning, building consenting, environmental monitoring and emergency management
 - Legal – Internal team responsible for corporate legal advice, drafting and reviewing legal documents and support
- Review of overhead allocation to reflect SABU SLA's.
- Recruitment of additional roles needed as part of the establishment of the SABU.
- Review funding arrangements for Water Services, including consultation where appropriate.
- Review the Revenue and Financing Policy to reflect ringfencing of the SABU revenue and expenditure.
- Review of the Development Contributions Policy, including for Stormwater Development Contributions
- Finalise Strategy, Policy and Bylaw work programme for the SABU.
- Establish a framework to prepare and publish the standalone financial statements required by the Local Government (Water Services) Act.
- Continue regular water services hui with rūnaka and establish any amendments to the Service Level Agreement to meet SABU arrangements.
- Gradually implement enhanced financial systems for reporting and invoicing. Provide targeted training (where required).
- Develop the three-year Water Services Strategy, independent of the Long Term Plan, outlining goals for service delivery, environmental standards, infrastructure maintenance and economic regulation compliance.
- Establish balance sheet and rates separation ensuring that Water Services revenues and expenditures are attributed specifically to water, wastewater and stormwater activities.
- Establish separate management of all revenues, operating expenditure, capital expenditure and debt servicing for water services. This includes cash surpluses being retained for future expenditure on Water Services.

Phase 3: Full implementation of SABU (1 July 2027 onwards)

Key Activities:

- Fully implement the three-year Water Services Strategy (including forecast financial statements).
- Implement new reporting and accountability framework, including full compliance with reporting framework and audit requirements.
- Maintain ongoing compliance with economic and environmental regulations.
- Conduct regular service performance and “fit for purpose” reviews of the SABU, covering efficiency reviews, setting of targets and strategy updates.
- Monitor and adjust SLAs, reporting, and invoicing systems where required.

Consultation and engagement

Following the enactment of the Water Services Preliminary Arrangement Act 2024, Council commenced work on determining its future water services delivery arrangements. Council commissioned Morrison Low to complete financial modelling while Council's officers prepared a Business Case considering two service delivery models to underpin the information needed for effective community consultation.

During the [19 March 2025 Council meeting](#), Council resolved to consult with the community on the following two service delivery models:

1. Stand-Alone Business Unit (SABU) - Council continues to deliver drinking water, wastewater, and stormwater services after making all necessary changes to meet new requirements.
2. Water Services Council Controlled Organisation (WSCCO) - Council establishes a WSCCO which manages and delivers water services independently, with Council as shareholder.

Council selected Option 1, the SABU as its proposed model for community consultation. Consultation was carried out in accordance with Sections 61 to 64 of the Local Government (Water Services Preliminary Arrangements) Act 2024.

From 27 March to 27 April 2025, Council undertook community consultation on the future of water services delivery for the district. Given the significance of the decision, a copy of the consultation document was delivered to each household. As part of the consultation, Council provided the following additional information:

- [What's next for our water?](#)
- [Consultation document](#)
- [Financial modelling](#)
- [Future for water services delivery indicative Business Case](#)

Two community meetings were held in Methven and Ashburton on 8 & 9 April 2025, with the Ashburton meeting live streamed on Council's YouTube channel. There was significant promotion via Facebook, newspaper advertising and via other mediums district-wide.

Council received 234 submissions, with the significant majority preferring the Stand-Alone Business unit. A full summary of the feedback can be reviewed [here](#). The table below provides an overview of feedback received.

Water service delivery model that you support	%	Count
Option 1 - Stand-Alone Business Unit (Our Proposal)	88	200
Option 2 – Water Services Council Controlled Organisation	9	20
Option 3 – Don't Know/Other	3	7
Skipped		7
Total	100.0	234

A hearing and deliberations were held on 15 May 2025 with the opportunity for the public to present on their submissions. [A final report was presented to Council on 21 May 2025](#) for a final decision.

Assurance and adoption of the Plan

ADC has prepared this plan following extensive review of the options followed by community consultation ultimately resulting in the decision to proceed with the establishment of a SABU for the future delivery of water services for the Ashburton District community.

In addition to internal quality assurance processes, the following independent reviews been undertaken:

- Independent review against the requirements in the Act.
- Independent analysis of financial sustainability compliance with Local Water Done Well.

Council resolution to adopt the Plan

At the 20 August 2025 Council meeting, Ashburton District Council resolved the following.

That Council:

- a) Notes the Chief Executive agrees to certification of the Water Services Delivery Plan
- b) Adopts the attached Water Services Delivery Plan for submission to the Secretary for Local Government.

Certification of the Chief Executive of Ashburton District Council

I certify that this Water Services Delivery Plan:

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

Signed:



Name: Hamish Riach

Designation: Chief Executive

Council: Ashburton District Council

Date: 21 August 2025

Part B: Network performance

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

Serviced Population

Residential Demand

Ashburton District serves a population of 36,800, of which 25,950 (71%) are provided with water supply services and 23,480 (64%) are provided with wastewater services. These ratios are expected to remain the same over the next 30 years.

Ashburton District has seen modest growth since 2018 of 10%. The most recent population projections (refer LTP) predicts 0.5% increase every year from 36,800 people in 2023 to 41,400 in 2048. Based on recent trends, most of our rural areas and small towns are likely to experience similar changes in population during the ten-year planning period.

The populations and connection numbers in the following table are based on drinking water connections. Fewer customers receive wastewater and stormwater services than drinking water. These are broken down further in the Serviced Areas tables below.

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	23,385	23,480	23,574	23,669	23,764	23,859	23,955	24,051	24,147	24,244
Total residential connections	10,526	10,568	10,610	10,652	10,694	10,737	10,780	10,823	10,866	10,909
Total non-residential connections	1,888	1,895	1,902	1,909	1,916	1,923	1,930	1,937	1,944	1,951
Total number of connections	12,414	12,463	12,512	12,561	12,610	12,660	12,710	12,760	12,810	12,860

Industrial Demand

Ashburton does not have a high industrial demand for potable water from water-intensive industries. Approximately 10% of water supplied goes to commercial and industrial customers, and the highest users consume approximately 60m³/day. Trade waste and septic tank waste comprises a smaller percentage of our wastewater stream.

It is likely that at least one large trade waste customer will commence discharging to the Ashburton network in the foreseeable future, due to the increasing difficulties of obtaining and operating consents to discharge to ground. No discharges have been approved to date, although discussions have taken place. These discharges would be likely to require capital or process upgrades to increase the capacity of our treatment plants.

Agricultural Demand

Montalto and Springfield are rural areas where water is used for both household and stock drinking purposes. Springfield is a restricted supply with a fixed overall allocation, which is unlikely to see much growth. Montalto is an on-demand supply which may see demand change with land use change. In some areas this is demand reduction, as people change the use of their land, and obtain their stockwater and water supply from elsewhere, but it may also be increased demand if intensification took place.

Serviced areas

Council has 10 potable water schemes, 3 wastewater schemes, and four stormwater rating areas. The Methven scheme covers the supply to the Methven township as well as the supply to the Methven Springfield rural area.

The water schemes cover the towns and villages of Ashburton (including Tinwald, Lake Hood and Fairton), Methven, Rakaia, Hinds, Mayfield, Mt Somers, Hakatere and Chertsey. The Dromore scheme is a rural scheme which covers rural households and is not a stockwater or irrigation scheme. The Montalto scheme and Methven Springfield supply area are rural water supplies where the water is used for both stockwater and for household/drinking water; of the two, only Montalto is classified as a mixed-use-rural supply for compliance purposes. The remaining areas of the district do not receive Council drinking water. These areas are mainly rural and standalone farms, although there are some smaller private community water supplies such as Highbank and Lyndhurst.

The three wastewater schemes cover the townships of Ashburton (including Tinwald and Lake Hood but not Fairton), Methven and Rakaia. Wastewater servicing only covers the urban areas, so lifestyle and rural residential areas on the periphery of the towns, notably the north-east Ashburton area between Ashburton and Fairton, are not serviced at this time.

Stormwater schemes are nominally established in Ashburton, Methven, Rakaia and Hinds. However, while Ashburton has a reasonably developed piped network, Methven and Rakaia have small sections of network serving specific areas, while Lake Hood and Hinds have small systems of swales and open drains.

Our water supplies generally have single distribution zones, and only Ashburton and Methven have significant non-residential areas. Council therefore consider most schemes as residential. Ashburton, Methven and Rakaia do have significant numbers of non-residential connections, so these are listed separately in the table below.

Below is a summary of the Serviced Areas. Data is taken from the most recent Activity Management Plan and applies for the 2024/25 financial year.

Serviced areas (by reticulated network)	Water supply # schemes		Wastewater # schemes		Stormwater # catchments
Total	10 Supplies 11 Distribution Zones Total Connections 12,414 2024-25		3 Schemes 10,888 Connections (2024-25)		3 schemes with stormwater networks. Most properties do not have formal connections to the stormwater system, and we do not individually rate properties for stormwater services. To estimate properties served, we assume the same numbers as wastewater because both services cover the core urban areas. Estimates are therefore: - Ashburton: 8,313 - Methven: 946 - Rakaia: 547
Residential areas	Areas	Residential Connections	Areas	Residential Connections	
	Ashburton including Tinwald, Lake Hood, & Fairton (ASH003)	8,864	Ashburton includes Tinwald, & Lake Hood	8,313	
	Chertsey (CHE002)	91	Methven	946	
	Dromore (DRO001)	38	Rakaia	547	
	Hakatere (HAK001)	109			
	Hinds (HIN001)	155			
	Mayfield (MAY001)	72			
	Methven (MET001)	1,118			
	Mt Somers (MTS001)	140			
	Rakaia (RAK001)	568			
Non-residential areas	Area	Non-residential connections	Area	Non-residential connections	
	Ashburton (ASH003)	870	Ashburton (ASH003)	865	
	Methven (MET001)	158	Methven (MET001)	158	
	Rakaia (RAK001)	70	Rakaia (RAK001)	59	

Serviced areas (by reticulated network)	Water supply # schemes		Wastewater # schemes	Stormwater # catchments
	Springfield (MET002) – 126: rural connections	This distribution zone has been included as a non-residential area, although it is a rural farm scheme with both stockwater and household drinking water supply uses. It is not identified as a mixed-use-rural for compliance purposes.		
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	The Montalto (MON001) rural water supply is a mixed-use stockwater and drinking water supply. This is a Council supply but standalone, not connected to any other network. The scheme serves 35 connections.		N/A	N/A
Areas that do not receive water services	Approximately 5,676 properties do not receive Council water supply services. These are rural properties throughout the district not serviced by a Council drinking water supply.		Approximately 7,202 properties do not receive Council wastewater service. Properties not serviced by a Council wastewater township include the Hinds township, other small villages such as Chertsey and rural properties throughout the district not serviced by a Council wastewater supply.	Approximately 7,202 properties do not receive Council stormwater services. Properties not serviced by a Council wastewater township include the Hinds township, other small villages such as Chertsey and rural properties throughout the district not serviced by a Council stormwater network.

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater # schemes	Stormwater # catchments
Proposed growth areas - Planned (as identified in district plan) - Infrastructure enabled (as identified and funded in LTP)	North East Ashburton (peri-urban). A project nominally in 2027-28 would allow water supply to be rolled out to this area, between Smithfield Road and the Ashburton Business Estate. Second Bridge watermain A new watermain is planned for 2026-2029 to service the second Ashburton bridge and the connecting road to Grahams Road. This will provide capacity, resilience and a trunk network for development around the new road. Other areas Other areas are not specifically planned or funded in the LTP but will be responded to on a case-by-case basis in response to development.	North East Ashburton (peri-urban). In conjunction with the water network design we have completed servicing feasibility work for the same area. There is no formal project identified in the LTP, but this may come if community demand arises.	N/A

Levels of Service and Performance Reporting

Levels of Service (LOS) are the standards of service Council has committed to and are reporting against through the Annual Report. They are set according to the requirements of legislation, consumers, community outcomes, and strategic goals. These are measured by various performance measures, some of which are mandatorily set by the government. The following table includes the most recent LOS performance measure results, as included in the 2023/24 Annual Report. Overall, across Water Services in 2023/24, seventeen performance measures were achieved, and eight performance measures were not achieved.

Drinking Water

Levels of Service	Performance Measure	2023/24 Result	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28 – 2033/34
We provide quality drinking water to connected properties	The extent to which the local authority's drinking water supply complies with the following parts of the drinking water quality assurance rules: ¹ (a) 4.4 T1 Treatment Rules; (b) 4.5 D1.1 Distribution System Rule; (c) 4.7.1 T2 Treatment Monitoring Rules; (d) 4.7.2 T2 Filtration Rules; (e) 4.7.3 T2 UV Rules; (f) 4.7.4 T2 Chlorine Rules; (g) 4.8 D2.1 Distribution System Rule; (h) 4.10.1 T3 Bacterial Rules; (i) 4.10.2 T3 Protozoal Rules; and (j) 4.11.5 D3.29 Microbiological Monitoring Rule	² Ashburton 18.18% Methven 88.70% Rakaia 49.07% Chertsey 48.75% Dromore 49.17% Fairton 45.83% Hakatere 71.04% Hinds 53.33% Mayfield 50.21% Montalto 47.92% Mt Somers 89.38%	100%	100%	100%	100%
Council contractors respond to drinking water failures and requests with median response times	Median response time to urgent and non-urgent callouts* - Urgent call-out attendance	0.82 (49 minutes)	Ashburton township: 1 hour; rest of district: 2 hours ³	Ashburton township: 1 hour; rest of district: 2 hours ³	Ashburton township: 1 hour; rest of district: 2 hours ³	Ashburton township: 1 hour; rest of district: 2 hours ³
	Median response time to urgent and non-urgent callout* - Urgent call-out resolution	1.58 hours	4 hours	4 hours	4 hours	4 hours
	Median response time to urgent and non-urgent callouts* - Non-Urgent call-out attendance	2 days (48 hours) ⁴	1 day	1 day	1 day	1 day
	Median response time to urgent and non-urgent callouts* - Non-Urgent call-out resolution	2.81 days (67.5 hours)	5 days	5 days	5 days	5 days
We provide efficient and sustainable drinking water services	Reduction in real water loss from the reticulated systems*	59% ⁵	33%	33%	33%	33%
	Reduction in average consumption / resident / day*	838L ⁶	≤735L	≤720L	≤706L	≤692L - ≤642L
	Customer satisfaction with drinking water services* a) Clarity b) Taste	8.38	≤10 complaints/1,000 connections	≤10 complaints/1,000 connections	≤10 complaints/1,000 connections	≤10 complaints/1,000 connections

	c) Odour d) Pressure or flow e) Continuity of supply f) Council's response to any of these issues					
	Residents are satisfied with Council's drinking water supplies	86%	80%	80%	80%	80%

Notes:

* Mandatory performance measure set by the Department of Internal Affairs

¹ In August 2024 the DIA issued new targets for water supply compliance reporting which have superseded the following two performance measure which were included in the Long Term Plan 2024-34: 'All Council drinking water schemes achieve bacteria compliance' and 'All Council drinking water schemes achieve protozoal compliance'.

² Results are a percentage of each supplies compliance with the Drinking Water Quality Assurance Rules (DWQARs) relevant to it for the 2023-2024 year.

- Ashburton Methven & Rakaia must comply with the level 3 DWQARs (h), (i) & (j)
- Chertsey, Dromore, Fairton, Hakatere, Hinds, Mayfield, Montalto & Mt Somers must comply with the level 2 DWQARs (c), (d), (e) & (f)
- DWQARs covered by this measure are not all the rules relevant to each supply. The measure is focused on Treatment performance rules & Distribution water quality rules only.

³ The target has been split based on location due to the time involved in travelling to the call-out

⁴ For non-urgent call-outs, the contractor focuses on resolution on first visit to site. This reduces the average resolution time but does result in average call-out attendance being longer.

⁵ Not all properties on Council supplies are metered and so the approved water loss calculation yields a coarse figure and includes losses on private reticulation

⁶ This result is also impacted by higher losses on schemes. No universal metering across Ashburton district means it is not possible to determine whether the increase is due to increased resident consumption or increased network leakage.

Wastewater

Levels of service	Performance measures		2023/24 Result	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28 – 2033/34
We provide an efficient and sustainable wastewater service	Dry weather overflow incidents *		1.88 / 1,000 ¹ connections	≤1.0/1,000 connections	≤1.0/1,000 connections	≤1.0/1,000 connections	≤1.0/1,000 connections
	Compliance with resource consents *						
			Abatement notices	1 ²	0	0	0
			Infringement notices	1 ³	0	0	0
			Enforcement orders	0	0	0	0
			Convictions	0	0	0	0
	Median response time to callouts*						
			Call-out attendance time	0.45 hours (27 minutes)	1 hour	1 hour	1 hour
			Call-out resolution	2.47 hours (149 minutes) ⁴	4 hours	4 hours	4 hours
	Customer satisfaction with wastewater services*						
	The total number of complaints received by Council expressed per 1,000 connections about:						
			a) Sewage odour	11.64	≤ 10 complaints/ 1,000 connections	≤ 10 complaints/ 1,000 connections	≤ 10 complaints/ 1,000 connections
			b) Sewerage system faults	complaints / 1,000 connections ⁵			
			c) Sewerage system blockages				
			d) Council's response to issues with our sewerage system				

Notes:

* Mandatory performance measure set by the Department of Internal Affairs

¹ It is difficult to provide a definitive reason for the increase in dry weather overflow events. It is speculated that lower network flows during the extended dry period may be a contributing factor.

² Rakaia WWTP issued an abatement notice on 27 November 2023 and 8 January 2024. These abatements are considered as one as they are for the same issue – being sludge disposal non-compliance. Notice to be addressed with the sludge drying beds project.

³ Infringement received on 30 November 2023 for sludge discharge from Rakaia Wastewater Treatment Plant.

⁴ The increase in dry weather overflow incidents may have impacted resolution timeframes.

⁵ This is related to a spike in the number of blockages attended to. We speculate that this may be due to lower infiltration and inflow resulting in less flushing flows through the network.

Stormwater

Levels of service	Performance measures		2023/24 Result	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28 – 2033/34
We provide protection from flooding for private properties	Flooding events from stormwater overflows *	The number of flooding events	0	0	0	0	0
	<i>The number of flooding events from stormwater overflows, and for each flooding event the number of habitable floors affected, expressed per 1,000 properties connected to the stormwater system</i>	The number of habitable floors affected for each flooding event	0 ¹	0	0	0	0
	Median response time (in hours) to callouts * <i>Where contractors attend a call-out on Council's behalf to attend a flooding event, the median response times are measured from the time Council receives the notification to the time that service personnel reach the site</i>		0 ²	1 hour	1 hour	1 hour	1 hour
We provide efficient and sustainable stormwater services	Compliance with resource consents * <i>Compliance with Council's resource consents for discharge from its sewerage systems measured by the number of the following received by Council:</i>	Abatement notices	0	0	0	0	0
		Infringement notices	0	0	0	0	0
		Enforcement orders	0	0	0	0	0
		Convictions	0	0	0	0	0
	Customer satisfaction with stormwater services (complaints / 1,000 connections) * <i>The total number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 connections to the stormwater systems.</i>		3.47 ³	≤5 complaints/1,000 connections	≤5 complaints/1,000 connections	≤5 complaints/1,000 connections	≤5 complaints/1,000 connections

Notes:

* Mandatory performance measure set by the Department of Internal Affairs

¹ Not applicable as there were no relevant weather events during this period.

² Not applicable as there were no relevant weather events during this period

³ There was a slight increase in 2023/24 compared with the previous year – an expected fluctuation often to do with the amount of rain across the year and people's increased awareness of stormwater.

Water services infrastructure associated with providing for population growth and development capacity

Ashburton District is expected to grow 12.5% over the next 30 years.

The capital programme under a SABU has a limited focus on growth infrastructure. The main anticipated areas are the North-East Ashburton peri-urban area (water and possibly wastewater) and the area to the east of Tinwald along the path of the new road from the second bridge. Concept work has been done on other areas currently zoned for residential development, but no detailed design.

Council has also considered the possibility of developing a wastewater scheme for Hinds to allow it to develop and grow. This will be part of the wastewater strategy developed over the next 18 months and has been included as a possibility in our financial modelling.

On the network side Council takes a reactive approach to growth; on the headworks side we do have plans for an additional bore in the Allenton zone to meet local demand in the Allenton pressure zone should significant growth arise in that area, and a further bore. Council has taken a slow approach to demand management, mainly employing seasonal water restrictions and acoustic leak detection. Council have installed meters on the village supplies and one town supply (Methven) but notably have not installed meters in Ashburton or Rakaia. There has been no appetite to introduce price signals for residential water use through volumetric charging or otherwise; meters on residential properties are purely for leak detection and demand monitoring purposes. This position may change in the future, especially if demand begins to exceed consent limits or supply capacity.

Assessment of the current condition and lifespan of the Water Services network

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	Average age of watermains is 36.9 years.	Average age of sewer mains is 31.9 years.	Average age of stormwater pipes is 32.2 years.
Critical Assets	• Ashburton: Connections to Lake Hood, Ashburton Business Estate and Fairton, pipe on the river bridge, crossings under SH1 and South Island Main Trunk (SIMT) railway, large trunk mains on Walnut Avenue and Alford Forest Road. • Methven: Raw and treated trunk mains. • Rakaia: pipes under SH1 and SIMT railway • Other: mains serving large areas of the scheme, typically raw or treated trunk mains Above-ground assets have not been formally assessed for criticality.	• Ashburton: Outfalls from town, river crossing and transfer pipeline from Wilkins Road Wastewater Treatment Plant (WWTP) to Ocean Farm WWTP, crossings under SH1 and SIMT railway. • Methven Dolma St, and Methven Chertsey Road outfalls to WWTP • Rakaia outfall to WWTP and pipes under SH1 and SIMT railway Above-ground assets have not been formally assessed for criticality.	• Ashburton: Collector pipes on Oak Grove, West St and Chalmers Avenue; crossings under SH1 and SIMT railway • Methven: pipes around the Central Business District, under SH77 • Rakaia: pipe under roundabout near SIMT railway Above-ground assets have not been formally assessed for criticality.

Parameters	Drinking supply	Wastewater	Stormwater
Above ground assets			
• Treatment plant/s	14	4 ¹	N/A – no specific treatment plants
• Percentage or number of above ground assets with a condition rating	Approximately 75%	No above ground assets with a condition rating	No above ground assets with a condition rating
• Percentage of above – ground assets in poor or very poor condition	15%	No above ground assets with a condition rating	No above ground assets with a condition rating
	<i>Notes:</i> Above-ground condition assessment is informal; this is an active area of improvement. Assets are inspected by plant operators and issues raised but not formally rated. The percentage figures are estimates based on experience.	<i>Notes:</i> Above-ground condition assessment is informal; this is an active area of improvement. Assets are inspected by plant operators and issues raised but not formally rated.	<i>Notes:</i> Above-ground condition assessment is informal; this is an active area of improvement. Assets are inspected by plant operations but not formally rated.
Below ground assets			
• Total Km of reticulation	603km of watermains	211.8km of sewer mains	45.2km of stormwater mains
• Percentage of network with condition grading	100%	97.6%	85.8%
• Percentage of network in poor or very poor condition	38%	30.7%	29.5%

Condition assessment was last applied across the networks in 2023, as part of the 2024-34 LTP planning process. Individual assets are then updated based on contractor reports, CCTV inspections and other information that may come to light. A reassessment will be carried out in preparation for the 2027-37 planning cycle.

Many above-ground assets have not been formally assessed for condition or criticality. This is an active area of improvement. Because the assets are able to be inspected by plant operators and issues raised, the need for a formal assessment is less than for the unseen assets. However, this assessment would permit a proactive and strategic approach to maintenance and renewal, and part of our data strategy is to incorporate the available data and improve the body of knowledge, including by formalised structured assessments.

The average age of our networks is reasonably low, helped by having started a renewal programme early, in the 1990s and 2000s. There are schemes which are at the end of life and were built as complete schemes, which makes the renewals ‘lumpy’. This is contributing to an apparent backlog at the moment, where, for example, the Hinds and Dromore schemes, and the oldest parts of the Methven scheme, are beginning to fail and are therefore being renewed at an accelerated pace. There are also areas of Ashburton, such as Tinwald, which are in a similar position. This will be compensated for in future by lower renewals on those schemes as newer pipes need less intervention.

Council are also looking into more innovative rehabilitation methods, such as structural or non-structural lining, to allow more kilometres of pipe to be renewed for a given cost.

¹ The Ashburton scheme has both the Wilkins Road Treatment Plant and Ocean Farm Treatment and Disposal Site, which are physically separate sites connected by an 11.5km pipeline.

Asset management approach

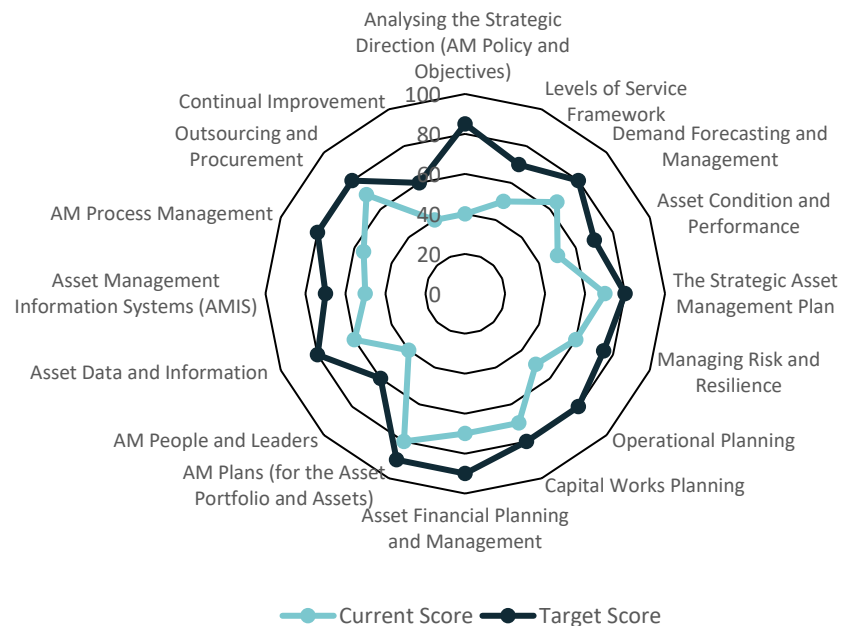
The management of water service delivery is proposed to be kept in-house. Day to day operations of all three waters is contracted out, to Ashburton Contracting Limited (ACL) until 2030, but managed closely by Council staff. ACL is required to operate and maintain the assets to achieve specified outcomes and ensure they provide the required levels of service. Compliance, asset management, forward work planning and reporting is done by Council staff. This includes updating and improving our 30-year Infrastructure Strategy and Asset Management Plans. Council have been undertaking a process of improving our formal asset management processes for a number of years, although due to limited resourcing progress has been slower than we would like.

A recent asset management maturity assessment, aligned to the International Infrastructure Management Manual (IIMM) framework, highlighted a range of areas for improvement. The most notable areas for more improvement identified were around continuous improvement, strategic direction and Asset Management (AM) leadership, the implementation of the Asset Management Information System (AMIS) itself, and operational planning. Notable proposed improvements are updating operational documents such as manuals, Standard Operating Procedure (SOPs) and maintenance plans, developing AM systems, objectives and policies, and implementing work management systems to better relate operational and capital work programmes.

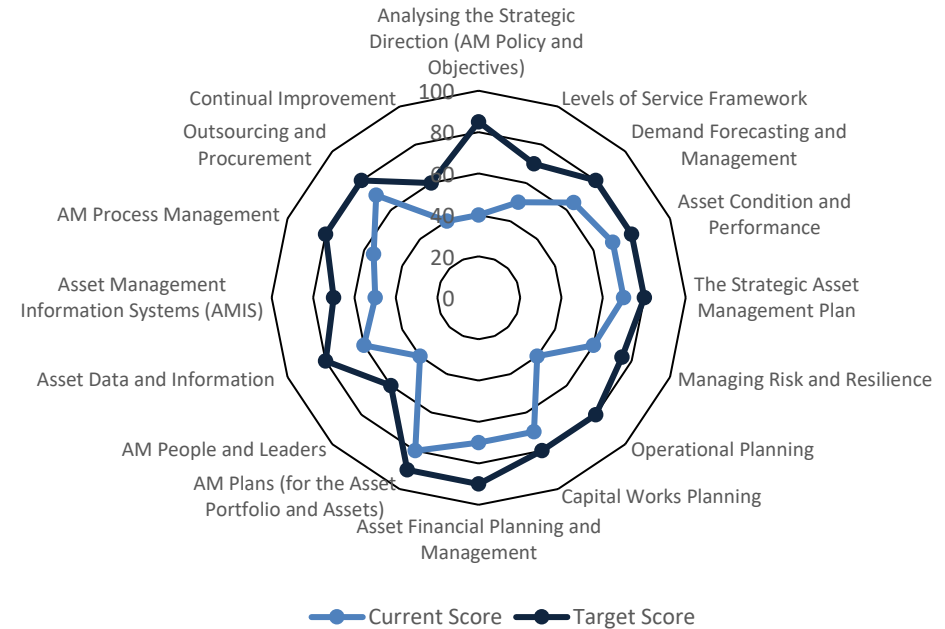
Overall we assessed ourselves at Core level, with some Intermediate aspects. Council generally set our targets at Intermediate level. Core means that good practices are in place for the essential components, such as asset registers, simple risk assessments and renewal planning. Intermediate means that good practice is well-embedded and being used, and that some analysis and critical evaluation is being carried out, such as risk and criticality-based maintenance and renewals. The highest level, Advanced, incorporates higher level techniques such as predictive modelling, dynamic planning and optimised decision-making.

The summary results are shown here:

Asset Management Maturity Rating - Drinking Water



Asset Management Maturity Rating - Wastewater



Our main focus for the next few years is on improving data systems – expanding our asset management information system (Infor Public Sector) and Geographic Information Systems (GIS) (ESRI ArcGIS), improving records management using SharePoint, and improving the interconnectivity and availability of our other data sets, such as Supervisory Control and Data Acquisition (SCADA), laboratory and inspection data. An in-development data strategy will document the current sources, repositories and users of our data, and will set out a pathway to improve the availability, integration and utilisation of this information to significantly improve our asset management practice. We propose to add a dedicated data analyst position to the team to implement this.

In parallel, we are looking to improve our formal processes and practices, including aligning ourselves with, and assess progress against, a formal asset management framework. Historically we have been broadly aligned with the IIMM, and the IIMM has now been aligned with ISO 55001. The next step of this work, after completing the maturity assessment, is the development of the foundational documents, including an Asset Management Policy and Asset Management Strategy, and committing to an improvement programme.

Statement of Regulatory Compliance

Resource Consents

Drinking Water

Council holds 17 resource consents which include 182 conditions setting out the requirements that must be satisfied. Council holds 14 consents to take water, 3 consents to discharge to both land and water, and no consents to construct and maintain in-stream structures.

The Fairton and Lake Hood consents are no longer in use as these schemes have been connected to Ashburton, but the consents have not been surrendered.

A summary of the significant water supply consents and their status is provided in the table below. Information has been obtained from our consents register. The non-compliant results are considered low risk and plan to be addressed over the course of the Plan through leak detection, water metering and renewal assessments.

Water Supply Scheme	Consent Description	Consent Number	Expiry Date	Aggregate compliance achieved?	Overall environmental performance	Overall administrative performance of the consent
Methven Springfield	Take groundwater	CRC002108	30/01/2041	Non - Compliant	Medium	High
Methven	Take groundwater	CRC011923	08/08/2037	Non - Compliant	Low (high exceedance of annual volume limit)	High
Mt Somers	Take groundwater	CRC022026	15/07/2037	Compliant	High	High
Hinds	Take groundwater	CRC041517	18/02/2039	Non - compliant	Medium	High
Ashburton	Ashburton WTPs Take groundwater	CRC050225.1	26/11/2039	Non - Compliant	Medium	High
Ashburton	Tinwald WTP Take groundwater	CRC051262.1	26/11/2039	Non - Compliant	Medium	High
Montalto	Take surface water	CRC052628	04/08/2045	Compliant	High	High
Mayfield	Take groundwater	CRC120547	17/05/2045	Compliant	High	High
Lake Hood	Take groundwater	CRC164142	18/03/2037	Bore not used	N/A	N/A
Dromore	Take groundwater	CRC170019	29/07/2051	Non - compliant	Medium	High
Methven	Methven WTP Discharge backwash to land	CRC231924	24/03/2058	Compliant	High	High
Mt Somers	Mt Somers WTP Discharge backwash to land	CRC231934	14/03/2058	Compliant	High	High
Rakaia	Take groundwater	CRC244450	29/04/2044	Compliant	High	High

Various	Multiple WTPs Discharge stormwater to land in a protection zone	CRC244645	31/07/2059	Not monitored		
Hakatere	Take groundwater	CRC991485	07/04/2034	Non - compliant	Medium (exceedance only minimal)	High
Chertsey	Take groundwater	CRC991612	04/03/2034	Compliant	High	High
Fairton	Take groundwater	CRC980747.1	03/12/2032	Compliant	High	High

Wastewater

Council holds 18 operational resource consents in the wastewater area, which include 210 conditions setting out the requirements that must be satisfied. Council holds 2 consents to take water, 13 consents to discharge to land, water and air, 1 land-use consent and 2 consents related to the maintenance of a stream diversion and associated structure.

A summary of the significant wastewater consents and their status is provided in the table below. Information has been obtained from our consents register.

Wastewater Scheme	Consent Description	Consent Number	Expiry Date	Aggregate compliance achieved?	Overall environmental performance	Overall administrative performance of the consent
Ashburton	Wilkins Road WWTP Oxidation pond seepage	CRC030474	03/06/2039	Compliant	High	High
Ashburton	Ocean Farm WWTP Irrigation	CRC030999.1	13/06/2039	Significant Non-compliance	Low	Med - high
Ashburton	Ocean Farm WWTP Wetland overflow	CRC031000.1	13/06/2039	Non - compliant	Low	Medium (data not always accurate)
Ashburton	Ocean Farm WWTP Wetland seepage	CRC031001.1	03/06/2039	Compliant	High	High
Ashburton	Wilkins Road WWTP Aeration pond seepage	CRC031002	03/06/2039	Compliant	High	High
Ashburton	Wilkins Road WWTP Aeration pond air discharge	CRC031003	03/06/2039	Non-Compliant No Action Required	Medium	Medium (odour alert not actioned)
Ashburton	Divert Wheatstone Drain	CRC031005	03/06/2039	Not Monitored		
Ashburton	Discharge Wheatstone Drain to River	CRC031006	03/06/2039	Compliant	High	High
Ashburton	Divert Wheatstone Drain	CRC031007	03/06/2039	Not monitored		N/A
Ashburton	Ocean Farm WWTP Irrigation air discharge	CRC031148	03/06/2039	Compliant	High	High
Ashburton	Ocean Farm WWTP Storage pond overflow	CRC093639	03/06/2039	Compliant	High	High
Ashburton	Ocean Farm WWTP Irrigation bore water take	CRC200198	03/06/2039	Compliant	High	High

Rakaia	Rakaia WWTP Sludge drying beds air discharge	CRC244473	29/07/2029	Compliant	High	High
Rakaia	Rakaia WWTP Land use consent	CRC244933	29/07/2029	Not Monitored		
Rakaia	Rakaia WWTP Groundwater bore water take	CRC980563	26/11/2032	Compliant	High	High
Rakaia	Rakaia WWTP Irrigation discharge	CRC980564.1	11/03/2033	Non-Compliance No Action Required	Medium	Medium
Rakaia	Rakaia WWTP Plant air discharge	CRC980565	23/03/2033	Non-compliance No action required	Medium	Medium
Methven	Methven WWTP Land disposal	CRC991241	08/07/2034	Non-compliance No action required	Medium	High

Stormwater

Council holds 8 resource consents which include 132 conditions setting out the requirements that must be satisfied. Council holds 1 consent to divert surface water, 5 consents to discharge to both land and water, and 2 consents to construct and maintain in-stream structures.

A summary of the significant stormwater consents and their status is provided in the table below. Information has been obtained from our consents register.

Stormwater Scheme	Consent Description	Consent Number	Expiry Date	Aggregate compliance achieved?	Overall environmental performance	Overall administrative performance of the consent
Ashburton	Network-wide discharge consent	CRC186263	17/06/2044	Non-compliant	Medium	Medium
Ashburton	Maintain Mill Creek	CRC020158.1	30/11/2026	Not monitored	-	-
Ashburton	Dobson St Maintenance of outfalls and culvert	CRC103734	29/11/2045	Not monitored	-	-
Ashburton	Mill Creek Discharge dewatering water for maintenance	CRC120550	20/11/2036	Not monitored	-	-

Ashburton	Mill Creek Dam and divert water for maintenance	CRC120552	20/11/2036	Not monitored	-	-
Ashburton	Woollen Mills Drive Discharge to land	CRC143888	20/01/2044	Not monitored	-	-
Ashburton	Lochlea Discharge to land	CRC213699	29/04/2046	Not monitored	-	-
Methven	Wayne Place Discharge to land	CRC051734.1	17/06/2040	Not monitored	-	-

Expired Consents

Council currently has no expired consents that are being renewed under section 124 Resource Management Act 1991.

Active Consent applications

Council currently has no active consent applications.

Current and Future Extent of Compliance with regulatory requirements

Drinking Water

Our water supplies currently do not all comply with the Drinking Water Quality Assurance Rules (DWQAR), but we are in the midst of a major capital upgrade programme which will address these requirements. Methven and Mt Somers have already had membrane treatment plants built, commissioned in 2023 and 2024, and the remainder of our Water Treatment Plants (WTPs) are having UV disinfection equipment installed (including cartridge filters if required). At the time of writing four plants out of nine have been completed and the upgrade programme is expected to be complete by the end of the 2025 calendar year.

There are also operational and procedural improvements being made in parallel. These include improvements to manuals, processes and procedures, and the data collection and auditing to go along with them. Source water risk management plans are under development, drawing on the existing source risks in the Water Safety Plans and the source delineation work previously completed. We have also initiated a backflow prevention programme to meet the distribution zone rules. The outcome of this work will mean Council addresses the non-compliances with bacterial compliance as shown in the table below.

Montalto is an exception due to historic differences in how it is configured that make applying the acceptable solutions difficult. We are working through the implications and options with Water Services Authority – Taumata Arowai to provide an affordable and practical solution for the community and have included budget for an anticipated solution.

Our water supplies mostly comply with resource consents, although there are some instances where water abstraction limits are exceeded at peak times. These are being addressed through an increased focus on demand management (including restrictions and water efficiency education), network and customer metering, leak detection, and in the case of the Dromore and Methven schemes through accelerated renewals to eliminate the leaks and faults we know are common on sections of old, poor-quality network. This is an ongoing process.

Most water sources are reliable and good quality. Mt Somers has had concerns with its source in dry summers, and an investigation into an additional or replacement source is planned. No capex has been allocated for construction of an additional source at this time. For the other schemes, we intend to manage demand within the current consents until they are due for renewal.

No Council water supplies have fluoride mandates. Methven is currently fluoridated, no other schemes are, and we have no plans to change our current fluoridation pattern. We have allowed in our financial modelling for a nominal rollout in 2028-29, although this will be reviewed nearer the time and is dependent on updates from the Ministry of Health.

Wastewater

Our wastewater schemes all have active resource consents. There are a number of non-compliances, currently covered by active action plans, developed in discussion with ECan, and investigations. In particular we have experienced high nitrogen loading rates at the Ocean Farm WWTP and high faecal coliform counts at the Ocean Farm wetland, attributed to bird activity.

We are undertaking a district-wide wastewater strategy, looking at populations, loadings, regulations and technologies, which will be used to underpin a medium-term plan for our schemes to achieve compliance with current and anticipated future regulatory standards, and to meet future growth and demand. It will also identify possible future schemes for the longer term. The Ashburton wastewater scheme is likely to need upgrades first, to address the irrigation system used for land disposal and to improve treatment effectiveness

and free up capacity. After this, we expect that Methven and Rakaia are likely to need upgrades when their consents approach expiry. The expected need for upgrades is reflected in the capex and opex forecasts.

We are not specifically delaying any consent renewals for the future standards, but should the strategy work indicate a need to review the existing consents then we are likely to consider whether it is beneficial to replace the consents under the new framework rather than amend the existing.

Stormwater

Ashburton has a network-wide consent, and Methven and Rakaia have network-wide consent applications in development. The Ashburton consent, and its associated stormwater management plan, sets out a programme of capital upgrades for collecting and treating stormwater before discharge. This is set out in the long term plan, although has been deferred from 2025-26 to 2026-27 due to competing priorities.

Ashburton is currently non-compliant, due mainly to delays in beginning the implementation of various measures required under the stormwater management plan. This includes an assessment of industrial sites, reviews of the monitoring programme, notifications to ECan and tracking of new discharge sites, and scheduled updates of the hydraulic model. Most of these have been set in motion, and the proposed addition of an engineer with a focus on stormwater will help provide resourcing to give this the attention needed to bring the consent into compliance.

Non-Compliances

We intend to fully comply with current and future requirements, and none of our schemes are fundamentally unable to comply. Measures to get us to full compliance have been discussed above.

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/ catchments
Drinking water supply			
Ashburton includes Tinwald Lake Hood & Fairton (ASH003) - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	- No (No E. coli detected in 2024) - Yes - Yes - None in last 3 years - No 5,668,729m³/year - Yes - Yes	n/a	n/a
Chertsey (CHE002) - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	- No (No E. coli detected in 2024) - No - Yes - None in last 3 years - No 23,887m³/year - Yes - No (not a firefighting supply)	n/a	n/a
Dromore (DRO001) - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	- No (No E. coli detected in 2024) - No - Yes - None in last 3 years - No 77,749m³/year - Yes Permanent Hosing Ban Supply is for in house domestic use only - No (not a firefighting supply)	n/a	n/a

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/ catchments
Hakatere (HAK001) - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	- Yes - Yes - Yes - None in last 3 years - No 28,087m³/year - Yes - No (not a firefighting supply)	n/a	n/a
Hinds (HIN001) - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	- No (No E. coli detected in 2024) - No - Yes - None in last 3 years - No 117,318m³/year - Yes - No (not a firefighting supply)	n/a	n/a
Mayfield (MAY001) - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	- No (No E. coli detected in 2024) - No - Yes - None in last 3 years - No 36,370m³/year - Yes - No (not a firefighting supply)	n/a	n/a

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/ catchments
Methven (MET001 and MET002) - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	- Yes - Yes - Yes - Yes (since 30 June 2022) MET001 4 Notices 24.9 days, MET002 3 Notices 72.5 days - Yes (MET002 since July 2024) - MET001 644,862m³/year MET002 531,016,3/year - Yes - MET001 MET002 Permanent Hosing/Irrigation Ban Supply is stockwater & in house domestic use only - Yes	n/a	n/a
Montalto (MON001) - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	- No (E. coli was detected in one weekly sample in 2024) - No - Yes - Yes Permanent in effect since February 2018 - No 288,432m³/year - Yes Permanent Hosing/Irrigation Ban Supply is stockwater & in house domestic use only - No (not a firefighting supply)	n/a	n/a
Mt Somers (MTS001) - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	- No (No E. coli detected in 2024) - No - Yes - Yes (Since 30 June 2022) 5 Notices 20.1 days - No 43,629m³/year - Yes - No (not a firefighting supply)	n/a	n/a

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/ catchments
Rakaia (RAK001) - Bacterial compliance (E.coli) - Protozoa compliance - Chemical compliance - Boiling water notices in place - Fluoridation - Average consumption of drinking water - Water restrictions in place (last 3 years) - Firefighting sufficient	- Yes - Yes - Yes - None in last 3 years - No 303,537m³/year - Yes - Yes	n/a	n/a

Notes:

- The compliance table above is the latest completed compliance year (2024 under the DWQARs) at the time of writing.
- Compliance status reported as Yes/No based on DWQARs % compliance rate converted to Yes if >50%, No if <50% for relevant rule subsets.
- For Bacterial compliance a note about E.coli detections added when DWQARs compliance rated as No (<50% DWQARs compliance).

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/ catchments
Resource Management			
Significant consents (note if consent is expired and operating on S124)	Water supply take [14] Water discharge [3]	Wastewater discharge water/land/air [13] Network [0]	Stormwater discharge [5] Network [1]
Expire in the next 10 years	3	1	0
- Non-compliance: - Significant risk non-compliance - Moderate risk non-compliance - Low risk non-compliance	0 0 1	1 2 3	0 1 0
Active resource consent applications	0	0	0
- Compliance actions (last 24 months): - Warning - Abatement notice - Infringement notice - Enforcement order - Convictions	0 0 0 0 0	1 1 1 0 0	0 0 0 0 0

Notes:

- The abatement notice and infringement for wastewater are related to the same issue, around the discharge of sludge to land at the Rakaia WWTP. This was first brought to light by ECan in late 2023 and cleared in December 2024 after a capital upgrade to install sludge drying beds and off-site disposal instead of discharging to land.

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

This WSDP follows the 2024-34 LTP for the most part, although we have included some additional expenditure in this plan. The additional expenditure does not appear in the LTP or 30-year Infrastructure Strategy because of the high uncertainty around what the projects might look like, when they might take place and how much they might cost. However in order to demonstrate that the water services comply with regulatory requirements and sustainability of future service delivery it is prudent to include the likely level of expenditure, accepting that it comes with uncertainty. These projects will be included in the Water Services Strategy.

Drinking Water

We are currently working our way through a major upgrade programme to meet the DWQARs. For the remainder of the next 10 years the focus is on ongoing renewals, although we are also adding resilience to our network through the installation of a new pipeline along the second Ashburton river bridge, and additional reservoir storage for Methven and Rakaia. In the longer term, we are preparing for future capacity and security of supply needs by looking at additional sources for Ashburton and Mt Somers and considering the installation of water meters for asset management purposes to understand water demand and water loss.

Other major works anticipated are the Montalto water supply upgrade (2027-28), potential additional equipment for fluoridation, if directed by the Ministry of Health (2028-29), and a solution to the high Nitrates in the Tinwald bore, either a deeper bore or nitrate removal treatment (2029).

Wastewater

We have a number of resource consents due for renewal in the 2030s, and so we have modelled the potential future investments needed to ensure our plants and networks can continue to meet expectations with the increased population forecast. These upgrades would take place progressively and are nominally included in 2027 (Ocean Farm irrigation), 2030-32 (Ocean Farm nitrate removal), 2033-34 (Rakaia and Methven WWTP treatment level upgrades).

We are also preparing for demands from peri-urban areas and unserved communities and have allocated funds to extend wastewater to business areas around Ashburton, nominally in 2029-30, and to develop a wastewater scheme for Hinds, nominally in 2035-36. These sorts of investments will become increasingly important to allow for growth in the district.

Stormwater

We currently have a significant programme of capital expenditure to improve the collection and treatment of stormwater before discharge, as laid out in the Stormwater Management Plan that is part of the network-wide stormwater consent for Ashburton. We are also working through similar consents for Rakaia and Methven, although their networks are substantially smaller and so the capital required is likely to be small.

Projected investment requirements

Projected investment in water services \$000	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	0	123	629	4,115	1	1	1	1	1	1
Capital expenditure - to improve levels of service	9,191	554	3,784	6,624	7,241	98	1,008	0	0	0

Capital expenditure - to replace existing assets	2,924	7,868	4,075	3,213	5,882	3,779	4,120	2,141	4,614	1,395
Total projected investment for drinking water	12,115	8,545	8,488	13,952	13,124	3,878	5,129	2,142	4,615	1,396
Wastewater										
Capital expenditure - to meet additional demand	1	0	1	160	7,282	5,777	1	1	1	6,320
Capital expenditure - to improve levels of service	0	62	5,405	209	0	3,850	3,939	4,030	1,546	1,580
Capital expenditure - to replace existing assets	7,498	5,334	3,719	10,844	3,164	2,900	1,130	3,449	2,699	2,682
Total projected investment for wastewater	7,499	5,396	9,125	11,213	10,446	12,527	5,070	7,480	4,246	10,582
Stormwater										
Capital expenditure - to meet additional demand	0	0	1	1	1	1	1	1	1	1
Capital expenditure - to improve levels of service	0	651	9,070	4,198	255	4,951	150	2,920	139	2,699
Capital expenditure - to replace existing assets	0	0	0	23	0	0	26	0	76	9
Total projected investment for stormwater	0	651	9,071	4,222	256	4,952	177	2,921	216	2,709
Total projected investment in water services	19,614	14,592	26,684	29,387	23,826	21,357	10,376	12,543	9,077	14,687

Historical delivery against planned investment

The table below shows historical actual investment spend on water services infrastructure against planned investment.

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)	10,422	18,262	12,570	41,254	19,614	48,559	32,393	100,566
Total actual investment	4,920	18,600	7,064	30,584	9,612	53,798	21,480	84,890
Delivery against planned investment (%)	47%	102%	56%	74%	49%	111%	66%	84%

Delivery was behind budgets in FY18/19-FY20/21 due to extreme resourcing constraints in both the project delivery team and with contractors. This was addressed for FY21/22 with new and additional staff on both sides, and especially in Council, and the trend has been positive since then.

The low number in 2024/25 is largely due to two major activities, a trunk sewer renewal and the significant water treatment plant upgrade programme, starting later than expected, progressing more slowly, and therefore delaying spend. In the case of the WTP upgrades in particular, this was a consequence of very long lead times for UV disinfection equipment coming from overseas. This will be balanced out in FY2025/26 as the projects reach completion.

The SABU's dedicated governance structure, along with the allocation of additional resources, is expected to play a critical role in ensuring that the planned investment is delivered consistently and effectively each year.

Part C: Revenue and financing arrangements

Revenue and charging arrangements

Charging and billing arrangements

Council's [Revenue & Financing Policy 2024](#) (RFP) details charging arrangements for each of the three waters services will continue while transitioning to the SABU. In the future (see Implementation Plan), the Council will review the RFP and explore alternative charging methods, like fixed charges or charging based on water usage, to ensure financial sustainability, fairness and affordability as well as facilitating the separation of stormwater revenue. Any changes to the current rating mechanisms will be implemented following a review of the RFP.

Charging is currently applied as follows for Water Services:

Drinking water

	Definition and Charging	Scheme/Catchment covered	2025/26 rate (Incl GST)
Group Water Supply rate - connected	Fixed amount per separately used or inhabited part of a rating unit	Ashburton urban, Lake Hood, Methven, Chertsey, Dromore, Fairton, Hakatere, Hinds, Mayfield, Methven, Methven/Springfield, Montalto, Mt Somers and Rakaia	\$741.50
Group Water Supply rate - serviceable	Fixed amount per separately used or inhabited part of a rating unit	Ashburton, Chertsey, Dromore, Fairton, Hakatere, Hinds, Mayfield, Methven, Montalto, Mt Somers and Rakaia	\$370.75
Extraordinary User	Extraordinary user is defined in Council's Water Supply Bylaw as 'a category of on demand supply including all purposes for which water is supplied other than ordinary supply and which may be subject to specific conditions and limitations. Charged a fixed amount per 1,000 litres in excess of 90 cubic metres consumed per quarter.		\$1.00/1,000 litres in excess of 90 cubic metres consumed per quarter
Residential Extraordinary Users	'Residential extraordinary' is further defined as properties connected to the Council water supply network located in Residential D, or Rural A zones of the Ashburton District Plan, or the Methven-Springfield water supply. Charged a fixed amount per 1,000 litres of water in excess of 438 cubic metres consumed per annum.		\$1.00/1,000 litres in excess of 438 cubic metres consumed per annum
Barrhill Water Supply	Fixed Targeted rate on all rating units connected to the Barrhill Water supply scheme	Barrhill	\$391.60
Lyndhurst Water Supply	Fixed Targeted rate on all rating units connected to the Lyndhurst Water supply scheme	Lyndhurst	\$193.20
Montalto Water Supply	- Fixed Targeted rate on all rating units connected to the Montalto Water supply scheme - Differential rate based on hectares of land	Montalto Montalto	\$2,252.00 \$75.30/hectare

Fees and Charges	Fees include connection and disconnection fees, water main tapping fees, reticulation recovery fees, inspection fees, bulk water charges, water meter testing fees		Various
Development Contributions	Charge on new developments that place additional demand on capacity in the Council's water supply infrastructure.	Ashburton, Methven, Mt Somers, Hinds, Fairton, Methven-Springfield, Mt Somers	\$1,941 – \$21,510 (dependent on the location of the water supply service)

Wastewater

	Definition and Charging	Scheme/Catchment covered	2025/26 rate (incl GST)
Group Wastewater Supply rate - connected	Fixed amount per separately used or inhabited part of a rating unit	Ashburton urban, Methven, Rakaia	\$603.60
Group Wastewater Supply rate - serviceable	Fixed amount per separately used or inhabited part of a rating unit	Ashburton urban, Methven, Rakaia	\$301.80
Group Wastewater Supply rate – Fixed amount per additional urinal/plan	Additional targeted rate for connected rating units (other than those rating units used primarily as a residence) within the Ashburton urban area, Methven and Rakaia townships. These charges will be set differentially based on the number of urinals/pans in excess of three in each rating unit.	Ashburton urban, Methven, Rakaia	\$201.20
Fees and Charges	Fees include connection and disconnection fees, trade waste fees, septage fees, reticulation recovery fees, inspection fees		Various
Development Contributions	Charge on new developments that place additional demand on capacity in the Council's wastewater infrastructure.	Ashburton, Methven	\$1,215 - \$2,625 (dependent on the location of the wastewater service)

Stormwater

	Definition and Charging	Scheme/Catchment covered	2025/26 rate
Stormwater collection, treatment and disposal networks	General Rate (10%) & Targeted Rate (90%) Targeted rates (urban amenity rate) for stormwater on the basis of the capital value of each rating unit in the Ashburton, Hinds, Methven and Rakaia townships.	Ashburton, Hinds, Methven, Rakaia and some rural communities	\$114 for average Ashburton residential ratepayer.

	A general rate based on the capital value of each separately used or inhabited part of a rating unit in the District.		
Development Contributions			Currently not charged ²

Council maintains separate reserves for each water, wastewater and stormwater scheme. The reserve is adjusted for any rating surplus or deficit at each year end. Running balances are maintained so that the balance is taken into account when setting rates for the following years. Development contributions revenue is used to repay debt against each particular scheme. Transfers are made into a depreciation reserve for each scheme, called the renewals reserve, to hold funds for future asset renewals, and funding is released from the reserve as renewals are undertaken and to repay debt.

Water services revenue requirements and sources

The SABU is projected to gather sufficient revenue from 2028/29 onwards to cover operating expenses (including depreciation). This surplus covers renewals expenditure and debt repayment long term. Council is smoothing in the initial years of the plan in order to reduce the transitional impact of charge increases on users.

The sources of revenue detailed in the previous section are likely to continue under the SABU, with water charged for using existing mechanisms. Revenue sources are likely to include those listed below, with any review work to be undertaken in phase 2 of the implementation plan:

Source of revenue	Description
General Rates	Ten percent of the rate requirement for Stormwater is currently collected through the general rate. This funding mechanism will be reviewed alongside a review of the Revenue and Financing Policy scheduled for adoption alongside the 2027-37 Long Term Plan.
Targeted Rates	Fixed amount per separately used or inhabited part of a rating unit for water and wastewater. Volumetric rates charged for certain users (e.g. extraordinary users). These fluctuate based on water usage. Targeted rate based on the capital value of each rating unit for stormwater. Ninety percent of the rate requirement for Stormwater is currently collected through Urban Amenity rates in particular communities. This funding mechanism will be reviewed alongside a review of the Revenue and Financing Policy scheduled for adoption alongside the 2027-37 Long Term Plan.
Fees and Charges	New Connections application fees for all water services. Drinking water - Extraordinary properties are defined in Council's Water Supply Bylaw as 'a category of on demand supply including all purposes for which water is supplied other than ordinary supply and which may be subject to specific conditions and limitations. 'Residential extraordinary' is further defined as properties connected to the Council water supply network located in Residential D, or Rural A zones of the Ashburton District Plan, or the Methven-Springfield water supply. Wastewater also has fees and charges associated with income from trade waste customers and septage income which is the tanker waste at treatment plants. Commercial and Industrial water supply fees and charges relates to income from Bulk Filling Stations (usage and Application fees). High Water User Agreement applications.

² Introduction of a Stormwater Development Contribution is being considered in the review of the Council's Development Contributions Policy and is included in the WSDP Implementation Plan.

Borrowing	Borrowing is used to fund capital expenditure for renewals and level of service improvements. Borrowing may be used to fund capital expenditure for growth assets, which is then repaid through development contributions.
Development contributions	These are payments required to recover the costs of growth-related capital expenditures from participants in the development process, rather than from general rates or any indirect funding source.
Grants and Subsidies	These are funds provided by government bodies or organisations to support water infrastructure projects including funding tools such as the Infrastructure Acceleration Fund.

The total revenue requirement over the period 2024-2034 is summarised below, broken down by the sources of revenue. Council does not use commercial or non-residential differentials and there are no users that contribute a significant portion of revenue.

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	150	123	247	395	347	383	390	438	449	460
Targeted rates	15,404	16,020	17,901	19,778	21,768	23,902	26,646	29,335	31,123	32,507
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	426	437	446	456	466	477	488	499	510	522
Fees and charges	565	579	191	196	199	204	209	214	218	223
Total operating funding	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712

Charging and collection of rates revenue will be through the rates system, using the mechanisms described above. Charging for other sources of revenue will be through invoicing via our general debtors system.

Existing and projected commercial and industrial user charges

For wastewater, large industries currently pay as per trade waste agreements for trade waste discharge and will continue on the same basis. Trade waste fees are set as per our Trade Wastes Bylaw and fees and charges. Trade waste disposal fees for the year 2025/26 are included below: [Trade Waste Fees](#)

Trade waste Disposal	2025/26
Registration form and assessment	Free
Application fee for a trade waste consent (one-off)	\$160
Annual charge for a permitted category	\$250
Annual charge for conditional consent	\$426
Transgression follow up inspections/ investigations	At cost
Trade waste excess volume charges (per m ³)	\$0.60
Trade waste excess BOD5 charges (per kg)	\$2.40
Septic tank waste (per m ³)	\$60.00

The affordability of projected water services charges for communities

Maintaining an affordable service is very important to Council. Council will seek to provide water services in an efficient way while meeting regulatory requirements. Charges will reflect the full cost of providing the services, including making adequate provision for the renewal of assets.

Water reform and Council LTP processes have highlighted that Water Services will cost more in the future. The cost of providing these services is increasing, including servicing debt and inflation.

The projected average charge over the period 2024-34 increases from \$1,441 in 2024/25 to \$2,948 in 2033/34. This is an average increase of 10.5% per year. Water services charges will remain reasonable at between 1.6% and 2.7% of the district's projected median household income over the next ten years. The actual impact on individual customers will depend on future methods of charging, which will vary based on factors such as where a property is located, future funding strategies and usage.

There is no definitive measure of affordability. Using a percentage of household income metric is comparable to affordability metrics for other essential utility services, such as electricity.

Ashburton District Council provides some financial relief options for residents through various circumstances in its Rates Remission Policy which will be reviewed in future. Additionally, the Department of Internal Affairs (DIA) Rates Rebate Scheme offers financial assistance to low-income homeowners, with rebates of up to \$790 for the 2024/2025 rating year. These measures aim to support residents struggling with water service costs while ensuring equitable access to essential services and apply for all water services.

Funding and financing arrangements

Water services financing requirements and sources

Projected borrowing requirements over the 10-year period

The projected borrowing requirements for Water Services shows an opening net debt position at the beginning of July 2024 projected to be \$72.5m, growing to \$133.2 by the end of 2033/34. More commentary is provided in Part D.

Minimum cash and working capital requirements for the sustainable delivery of water services

Under the assumptions applied in preparing the projected financial statements, the minimum cash balance is approximately an overdraft of \$7.17 million. This represents the aggregate cash balance for water, wastewater and stormwater services. While there are four years of overdraft, these are temporary with cash and financial assets forecast to consist of funds of \$10.465 million in 2033/34.

Working capital requirements will be managed through Council's liquidity requirements set in the Liability Management policy.

Borrowing limits for water services and all Council business

Council has a debt-to-revenue limit of 250% currently in its Treasury Policy. Under the LWDW framework and in line with guidance provided by the LGFA, the council would have the ability to increase the debt to revenue limit up to 280%. Council will decide in future whether it will increase its debt to revenue limit through a review of its treasury policies.

Financial strategy for financing water services investment and operating expenditure

The financial strategy under this WSDP is for water services investment and operating expenditure to be funded by operating revenue and debt. More specifically:

- Operating revenue will fund operating expenditure including depreciation and the cost of servicing debt. The funding of depreciation (non-cash) reflects a proxy for funding capital expenditure renewals and or historic debt used to fund capital expenditure. Therefore, the resulting operating revenue cash surplus will be used to fund capital expenditure renewals and/or historical debt repayments (funded depreciation).
- Growth Capex will also be part-funded by capital revenues, primarily in the form of Development Contributions.
- Debt will be used to fund any shortfall in capital expenditure after allowance for funded depreciation and capital revenues above.

Expected tenor of new borrowings and how interest rate and refinance risk will be managed

The tenor of new borrowings will be based on commercial funding agreements reached between the Council (as the borrower) and the LGFA or other funders (as the lender). In principle, it is assumed that the tenor of new borrowings will match the economic useful life of the underlying infrastructure or investment that the debt is being raised to fund. In this way Council can achieve better intergenerational equity for customers, as the burden of paying for infrastructure will be spread across the period over which benefits will be derived from the use of those assets. It is assumed that Ashburton District's credit rating will remain unchanged, and on this basis, Council will continue to access debt on terms (and at interest rates) that reflect this rating, within the context of prevailing economic conditions. Debt levels will be managed to maintain credit rating.

Ashburton District's current credit rating is AA+. It has been assumed that cost of financing will match the current council cost of financing based on its existing arrangements and Treasury Management Policy.

Debt repayment strategy

Council will manage debt repayment under terms that will match the life of the underlying asset(s). In other words, debt will be repaid over the life of the asset(s). Outside of this, no specific assumptions have been made to extinguish debt early or use excess cash (in the form of cumulative surpluses or reserves) to pay down debt.

Internal borrowing arrangements

As Council operates multiple activities, its debt portfolio is managed on a cash requirement basis with no differentiation between internal and external borrowing. Surplus funds generated from non-Water Services activities may supplement Council's overall debt portfolio through the use of internal borrowing, however funds are not specifically allocated against individual activities or projects. There is no internal lending from Water Services to other Council activities. Overall borrowing costs (internal and external) are managed in the same way that Council manages its external borrowing portfolio and this arrangement will continue going forward.

Determination of debt attributed to water services

As of 30 June 2024, the debt value related to Water Services within Council, was determined based on actual debt balances. Rather than borrowing for individual projects, Council borrows at the council level, necessitating a year-end allocation of the debt. This same approach will apply throughout the life of the WSDP.

Capital spending has historically been tracked for each major council activity, and this was updated for the 2023/24 financial year. Local Government Funding Agency (LGFA) borrowings, commercial papers, and bonds were then proportionally allocated to these major activities, based on their share of capital spending. HIF debt specifically pertains to waters and transportation activities and was allocated according to the capital spending incurred in each of these areas. Through Phase one of the Implementation Plan Council will investigate, and then implement, the appropriate financial methods and systems to ensure compliance with the required standards.

The total value of Water Services borrowing at 30 June 2024 is \$55.868m.

The net debt to operating revenue for Water Services at 30 June 2024 is 355%.

Insurance arrangements

Confirmation of insurance policies

Council holds the necessary insurance policies. Above ground water assets are covered by our membership of the Local Authority Protection Programme Disaster Fund (LAPP) and under our Material Damage Policy. This policy is put in place through our Broker using Chubb, QBE, NZI, AIG and BHSI. Through the Implementation Plan we will establish how these costs will be attributed for water services and document this for ring-fencing.

Annual insurance risk assessments

Council reviews insurance cover annually. No formal risk assessments are undertaken however a framework is being developed with Council to be implemented going forward.

Risk evaluation and assessment

Risk evaluation and assessment is performed by Council's insurers.

Level of insurance cover

Insured values are based on the latest valuations provided by asset managers, either specifically for insurance purposes, or from general valuation exercises, with additional margins added to form an insurance replacement value.

The current level of insurance for above ground water services assets is \$49 million. The current level of insurance cover for the replacement of the underground water services assets is \$530 million.

Insurance management policy summary

Insurance reviews and asset identification standards will be reviewed regularly. Values will be updated per the most recent valuations and assets added or removed as applicable. Above-ground structures, such as treatment plants, reservoirs, and pump stations, will be insured for all necessary perils at a suitable replacement value subject to an overall group policy limit.

Below-ground assets may be insured for 40% of their replacement value for natural disaster perils only. The remaining 60% of costs may be provided by central government under the Civil Defence Emergency Management cost sharing policy.

Formal documentation will be developed for key insurable risks, risk appetite, tolerance, and mitigations, and links to disaster response policies. Insurance is reported to Council on an annual basis.

Part D: Financial sustainability assessment

Financially sustainable water services provision

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

Council water services currently meet revenue, investment and financing sufficiency. This is not forecast to change between now and 30 June 2028. Financial sustainability includes confirmation of:

- Revenue sufficiency – Council has sufficient revenue to cover the costs (including servicing debt) of water services delivery
- Investment sufficiency – Council forecasts sufficient investment to meet agreed levels of service, regulatory requirements and provision for growth
- Financing sufficiency – Council has appropriate funding and financing arrangements in place to fund the planned programme with Council having sufficient headroom to manage unexpected future costs

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

Actions required to achieve financially sustainable delivery of water services

Intended actions to implement a SABU and achieve financial sustainable delivery of water services are identified in the Implementation plan in Part A. These include more stringent ring-fencing and financial reporting required to ensure that economic regulation is met.

Charges increases are included in line with indicative examples provided during consultation.

To meet regulatory requirements and forecasted growth, the Plan includes projects requiring renewal or upgrading as budgeted for in the Long-Term Plan 2024-34. In addition, new projects identified through the Local Water Done Well process to meet regulatory and water quality requirements are included in planned years. Some of these projects were signalled through the 2024-34 Infrastructure Strategy but not funded. The programme meets all known growth, renewal, levels of service and anticipated regulatory requirements.

From 2026/27 the plan transitions to a 100% Depreciation Recovery approach used to fund renewals and debt repayment. The plan initially discounts depreciation funding in order to alleviate the cost of rising charges to users. By 2029/30 Drinking and Wastewater are working on a 100% recovery basis. Stormwater is forecast to recover 30% of depreciation over the plan. Council considers this prudent due to the majority of capex programme for this activity attributable to increasing levels of service. The total rate requirement is divided by the number of connections to arrive at an overall charge.

Stormwater is currently charged through the General rate and Urban Amenity rate which will require review to ensure appropriate ring-fencing, as outlined in the implementation plan. Council is planning to install water meters in remaining communities where these are currently not installed. Meters are currently used for volume monitoring and leak detection and Council has not committed to using water meters for volumetric charging.

Levels of borrowing will be managed within borrowing limits. On the whole of Council basis there is sufficient headroom to sit within the Council's 250% net debt limit, noting that Council could increase this to 280% if required.

Risks and constraints to achieving financially sustainable delivery of water services

The following are potential risks to achieving financial sustainability and mitigation approaches:

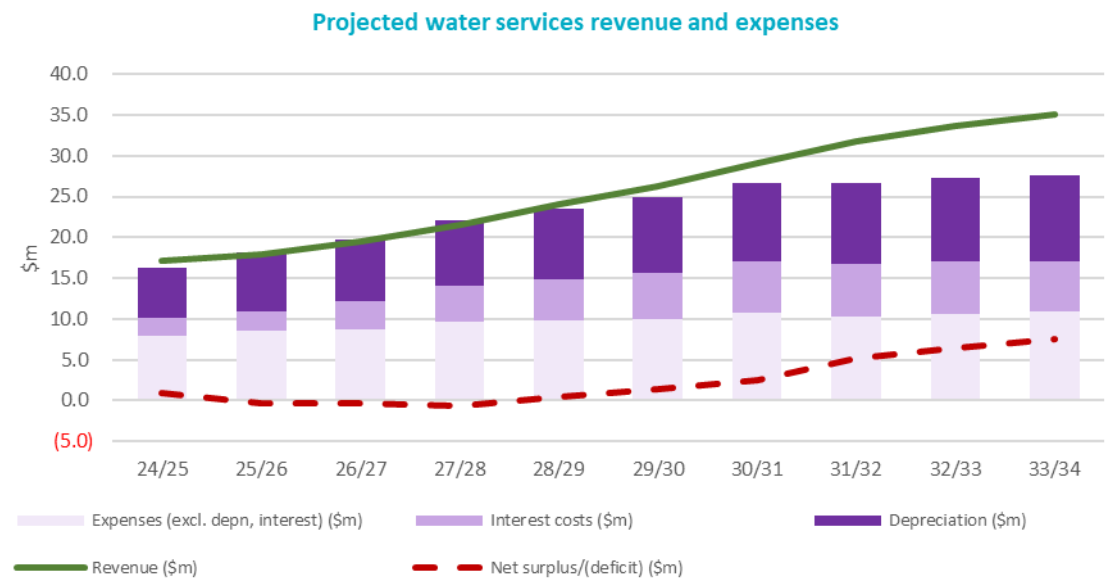
Risk/Constraint	Mitigation
Significant delays in the capital expenditure programme	The programme will be revised annually. Contractors will be employed to progress excess work that is unable to be delivered internally.

Capex programme is materially different from projected	Programme will be revised through annual budgets, and debt, interest and affordability projections will be updated. Council has significant headroom before reaching LGFA borrowing covenants to allow taking on additional debt if required.
Real inflation / interest costs are higher than projected	Inflation and interest costs allowances in the budget match what was considered appropriate in the LTP. Programme will be revised through annual budget, taking into account external factors.
Growth developments lag behind water services growth related capital costs resulting in additional debt servicing costs	Close relationships will be maintained with developers to ensure appropriate timing.
Loss of insurance cover	Should insurance be lost, costs of damage reinstatement from a significant natural event would be significant and works would need to be prioritised. Additional borrowings and increases to rates would be required. Borrowing headroom would help manage this risk.
Significant change to legislation or regulatory settings (e.g. resource consent requirements, change in treatment standards) require higher levels of investment	Legislation/standards is not expected to significantly differ from current approach. Council will work with regulators and central government to be prepared for any changes.
A significant natural event that places fiscal pressure on Council	Council has borrowing headroom to help mitigate this risk. Council's Capital Programme would also likely need significant revision.

Financial sustainability assessment - revenue sufficiency

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

Council projected revenues are sufficient and meet the ‘revenue sufficiency’ test. Additional operating costs are included the meet the requirements of new regulatory compliance under the LWDW programme. The following chart summarises the projected revenue, expenses (with depreciation and interest shown separately), and operating surplus over the 10-year period to 2033/34. The projected revenue exceeds expenses in all years except 2025/26 to 2027/28 where there is a deficit of \$0.3m - \$0.6m annually. A net surplus is forecast from Year 5 (2028/29) onwards. This surplus is essential to build to ensure sufficient revenue is collected to fund capital renewal projects and pay down debt.



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

The following table outlines the projected average charge per connection over the ten years to 2033/34. An average annual increase of 7.6% is forecast over the 10 year life of the plan. This reflects Councils use of debt to fund capex where existing depreciation funding does not cover the capex requirement.

The analysis is for the purpose of assessing affordability at a generalised level. The actual impact on individual customers will depend on future methods of charging, which may vary based on factors such as future funding strategies and usage.

Projected Median Household Income has been calculated using Census 2023 data and inflating this by the inflation rate applied in this Plan (based on the assumptions of the 2024/34 LTP).

Projected average charge per connection / rating unit (including GST)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking water	737	799	919	914	1,031	1,153	1,171	1,329	1,334	1,428
Wastewater	565	577	637	680	707	782	924	1,048	1,173	1,186
Stormwater	139	114	112	253	279	271	352	306	327	334
Average charge per connection / rating unit	1,441	1,490	1,668	1,847	2,017	2,206	2,446	2,683	2,834	2,948
Increase in average charge	1.3%	3.4%	12.0%	10.7%	9.2%	9.4%	10.9%	9.7%	5.6%	4.0%
Water services charges as % of median household income	1.6%	1.6%	1.8%	1.9%	2.1%	2.2%	2.4%	2.6%	2.7%	2.7%

Projected operating surpluses/(deficits) for water services

The table shows the Council forecasts to cover operational expenditure over the life of the plan. In general, the plan forecasts surpluses for most of the 10 years except 2025/26 to 2028/29. Council has a policy of funding depreciation on key assets and has prepared this plan based on transitioning to funding 100% of depreciation costs in each year of the plan. Where a surplus exceeds the cost of renewals then remaining funds are applied to debt. In general Council plans to fund Growth and LOS capex with Development Contributions and Loan Funding. A small deficit is budgeted in years 2-5 due to Council transitioning users over to the full cost of Water Services.

Operating surplus ratio (whether revenues cover costs)	FY2024/25 (\$'000)	FY2025/26 (\$'000)	FY2026/27 (\$'000)	FY2027/28 (\$'000)	FY2028/29 (\$'000)	FY2029/30 (\$'000)	FY2030/31 (\$'000)	FY2031/32 (\$'000)	FY2032/33 (\$'000)	FY2033/34 (\$'000)
Operating surplus/(deficit) excluding capital revenues – combined water services	322	(1,059)	(998)	(1,259)	(740)	103	1,133	3,877	5,067	6,175
Operating revenue – combined water services	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Operating surplus ratio	1.9%	(6.2%)	(5.3%)	(6.0%)	(3.2%)	0.4%	4.1%	12.7%	15.7%	18.3%

Projected operating cash surpluses for water services

The table below shows the plan forecasts for Council to have positive cashflows for the life of the plan. Starting at 52.5% in 2024/25 and increasing to 67.6% in 2033/34, the operating cash ratio illustrates council's robustness and increasing strength over the 10 year plan. Modelling indicates sufficient cashflows to cover renewals expenditure requirements. While debt funding is used to subsidise this in the early years of the plan, the forecast cashflow is positive in repaying any renewals related to debt drawn down. In light of this, cash surpluses are first used to fund renewals and then water services debt repayment.

Operating cash ratio (whether revenues cover costs)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
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Operating surplus/(deficit) + depreciation + interest costs - capital revenues (\$000)	8,687	8,638	10,136	11,218	13,001	14,944	17,029	20,125	21,681	22,794
Operating revenue – combined water services (\$000)	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Operating cash ratio	52.5%	50.3%	54.0%	53.9%	57.1%	59.9%	61.4%	66.0%	67.1%	67.6%

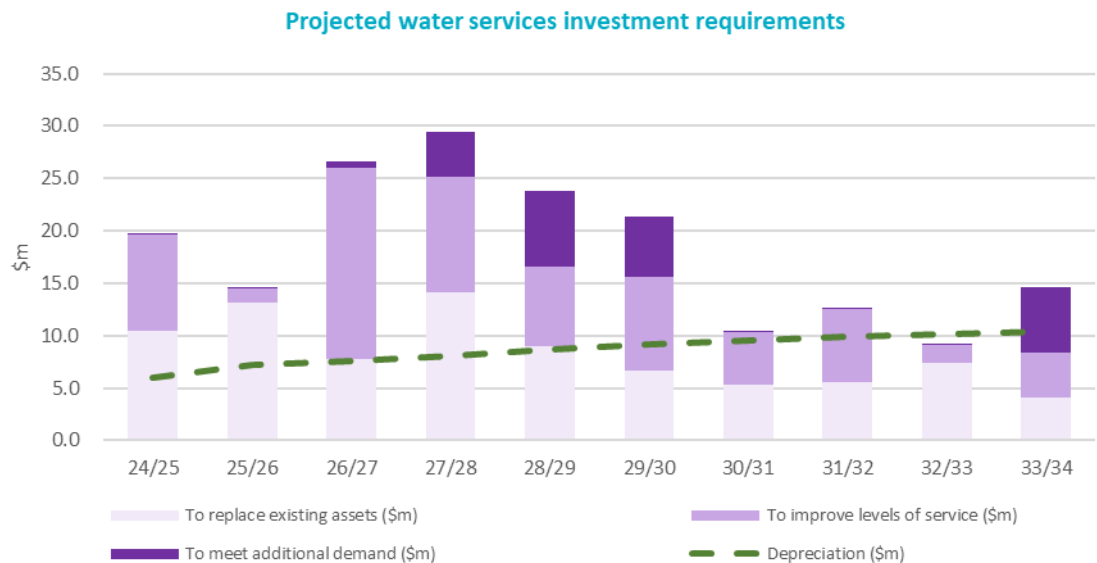
Financial sustainability assessment - investment sufficiency

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

Council proposed water services investment are sufficient and meet the ‘investment sufficiency’ test. The programme is based on assets requiring renewal, regulatory requirements and forecasted growth as budgeted for in the Long Term Plan 2024-34. The WSDP also includes additional projects to meet requirements as identified through the Local Water Done Well process that are spread throughout the ten year period. The proposed level of investment has funds allocated using the following three types of capex, as described below.

- *Growth*: Capital expenditure to meet additional demand such as expanding the Water Supply network in response to urban growth.
- *Level of service*: Capital expenditure to improve levels of service such as developing new infrastructure and upgrading existing systems. This ensures compliance with regulatory requirements, such as resource consents and drinking water standards, particularly in areas where current service levels fall short.
- *Renewal*: Capital expenditure to replace existing assets to ensure a reliable service can continue.

In summary, Council forecasts to invest \$181m in Water Services infrastructure over the life of the 10 year plan. This is more than double the level of depreciation (\$87m). Levels of Service (\$74m) and Growth projects (\$24m) are funded by a mix of loan funding and Development Contributions. Renewals expenditure (\$84m) is funded by depreciation supported by a small amount of loan funding when required. Refer to Part B of the WSDP which includes detailed analysis and commentary regarding the projected Water Services investment. Appendix 1 provides a summary of the significant capital projects included in the WSDP plan. This is shown in the graph below.



Renewals requirements for water services

The table outlines the Water Services Asset Sustainability Ratio over 10 years. As outlined in Part B. Network Performance, the proposed Water Services renewals investment is modelled and put into the relevant asset management plans. The Asset Management Plans are used to prepare the 30-year Infrastructure Strategy and Long Term Plan 2024-34. This has been budgeted for in alignment with asset replacement methodologies which, in addition to asset age and condition, factor in other aspects such as levels of service, criticality, budget, cost savings opportunities and growth.

The early years have a front-loading of renewals, which eases over the period. This is mainly due to already planned water renewals in Methven being accelerated in response to analysis of water balances and fault reports, and some renewals being done to facilitate treatment plant upgrades. Additional renewals projects have identified and entered as part of this plan.

Over the life of the plan, Ashburton District has a positive average Asset Sustainability ratio of 3.3%. This indicates there is sufficient investment in renewals to replace assets as they meet the end of their useful lives. The table below shows the annual Asset Sustainability Ratio for the 10 years of the plan. From 2029/30 the ratio turns negative after high positive ratios for the first 5 years. This is attributable to the front loading of the renewals work programme, while stormwater does not forecast any renewals expenditure over the plan with all capex within this activity classified as Levels of Service improvements. Additionally, depreciation will be used for repayment of water services loan funding.

Indications from asset management and analysis of network performance will be used to regularly review the required renewal work and budgets. For example, assets like stormwater pipes, which are relatively young and not due for renewal for some time, will show a negative ratio. These assets will be monitored and renewals budgeted for in future decades as needed. Water and wastewater assets will continue to show positive ratios, on average, for 30 years and beyond as we work through our ongoing renewal programmes.

Asset sustainability ratio	FY2024/25 (\$000)	FY2025/26 (\$000)	FY2026/27 (\$000)	FY2027/28 (\$000)	FY2028/29 (\$000)	FY2029/30 (\$000)	FY2030/31 (\$000)	FY2031/32 (\$000)	FY2032/33 (\$000)	FY2033/34 (\$000)
Capital expenditure on renewals – all water services assets	10,422	13,202	7,794	14,080	9,046	6,679	5,276	5,590	7,389	4,086
Depreciation – all water services assets	6,035	7,270	7,542	8,069	8,650	9,147	9,609	9,872	10,194	10,461
Asset sustainability ratio³	72.7%	81.6%	3.3%	74.5%	4.6%	(27.0%)	(45.1%)	(43.4%)	(27.5%)	(60.9%)

³ The Asset Sustainability Ratio is Capital expenditure on renewals divided by depreciation, minus 1. This ratio assesses whether projected renewals investment is more or less than projected depreciation and is an indicator as to whether the renewals programme is replacing network assets in line with the rate of asset deterioration. Where the ratio is positive, this means that there is more projected renewals investment than projected depreciation. Where this ratio is negative, this means that projected renewals investment is less than projected depreciation.

Total water services investment required over 10 years

The Asset Investment Ratio is positive for the next 10 years of the capital programme, indicating that total investment is higher than annual depreciation. The Levels of investment were identified as part of the Council's long term plan process and through additional projects included as this plan was compiled. The level of investment adequately considers capital expenditure for growth and improving levels of service.

Fluctuations in the ratio are due to additional projects included and the timing of investments to meet regulatory requirements, levels of services and growth. Greater certainty on regulatory requirements is also reflected in the early years of the ratio.

Asset investment ratio	FY2024/25 (\$000)	FY2025/26 (\$000)	FY2026/27 (\$000)	FY2027/28 (\$000)	FY2028/29 (\$000)	FY2029/30 (\$000)	FY2030/31 (\$000)	FY2031/32 (\$000)	FY2032/33 (\$000)	FY2033/34 (\$000)
Total capital expenditure – all water services assets	19,614	14,592	26,684	29,387	23,826	21,357	9,246	12,543	9,077	14,687
Depreciation – all water services assets	6,035	7,270	7,542	8,069	8,650	9,147	9,609	9,872	10,194	10,461
Asset investment ratio⁴	225.0%	100.7%	253.8%	264.2%	175.5%	133.5%	(3.8%)	27.1%	(11.0%)	40.4%

Average remaining useful life of network assets

The asset consumption ratio remains stable over the next 10 years, increasing slightly from 61% to 71%. This indicates that the proposed level of investment is sufficient to address aging assets and this is spread consistently across the consumers impacted in the first ten years. Council's planned investment increases the average remaining useful lives of its Water Services network assets.

Asset consumption ratio	FY2024/25 (\$000)	FY2025/26 (\$000)	FY2026/27 (\$000)	FY2027/28 (\$000)	FY2028/29 (\$000)	FY2029/30 (\$000)	FY2030/31 (\$000)	FY2031/32 (\$000)	FY2032/33 (\$000)	FY2033/34 (\$000)
Book value of water infrastructure assets	325,319	345,150	368,599	394,708	415,294	433,346	439,210	448,275	453,761	464,731
Replacement value of water infrastructure assets	528,686	537,401	560,851	586,959	607,545	625,598	631,461	640,526	646,012	656,982
Asset consumption ratio⁵	61.5%	64.2%	65.7%	67.2%	68.4%	69.3%	69.6%	70.0%	70.2%	70.7%

⁴ The Asset Investment Ratio compares total investment to projected depreciation. Where the ratio is positive, this means that there is more projected investment than projected depreciation. Where this ratio is negative, this means that projected investment is less than projected depreciation.

⁵ The Asset Consumption Ratio compares the book value of water infrastructure assets to total replacement value of water infrastructure assets. The ratio percentage represents the average remaining useful life of network assets. If this ratio materially reduces over time, then this means that the burden on future consumers to replace network assets is increasing.

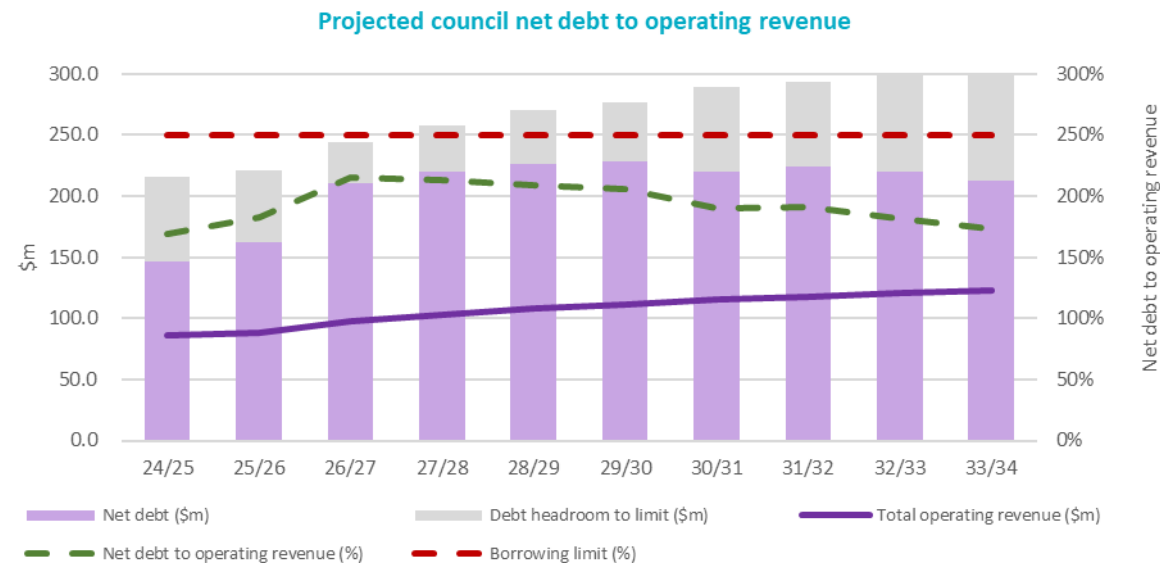
Financial sustainability assessment - financing sufficiency

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

The following summarises the expected funding and financing activities over the 10-year period to 2033/34. Council confirm that funds are available to meet all the expenses required to complete the capital programme successfully. The WSDP is considered to meet the financing sufficiency test. Asset renewals will be funded by depreciation. Regulatory requirements and increased levels of service will be funded by debt. Growth will be funded by developer contributions and debt. Proposed borrowings will be sourced from Local Government Funding Agency (LGFA).

Projected council borrowings against borrowing limits

The graph below shows that Council’s net-debt to revenue ratio is within Council’s policy of 250%, and there is sufficient headroom to borrow for unexpected events. Council Net debt reaches \$228 million in 2029/30 before trending down to \$212.6 million in 2033/34. As a percentage Net Debt to Operating Revenue reaches 215% in 2026/27 before trending down over the remainder of the plan to 173% in 2033/34.



Projected water services borrowings against borrowing limits

The graph below shows three waters net debt-to-revenue ratio, excluding the rest of Council. ADC has not implemented a benchmark for Water Services and instead considers the water debt as part of all council debt as required by its adopted benchmarks. There is sufficient headroom within the whole of Council debt limits (250% of net debt to operating revenue) to borrow for any unexpected expenditure or events. Council may consider establishing a Water Services benchmark in the future.



Projected borrowings for water services

Net Debt is forecast to double over the life of the plan. Starting at \$69m in year 1 and progressing to \$122m in year 10, the debt increase is primarily used to fund LOS and Growth Capex. Any debt associated with renewals is forecast to be repaid with operational cash surpluses. Council will review its Financial Strategy and Revenue and Financing Policy as part of the 2027/37 Long Term Plan process. All proposed borrowings will be through the Local Government Funding Agency (LGFA).

LGFA only requires whole of Council net debt-to-revenue to be under 250%. Council has not set an activity level debt limit for water services. This is something that will be considered as part of the 2027/37 Long Term Plan process. Councils' overall debt limit (250%) is not forecast to be breached throughout the plan with sufficient headroom available for unexpected events. Council considers this a prudent approach.

Net debt to operating revenue	FY2024/25 (\$000)	FY2025/26 (\$000)	FY2026/27 (\$000)	FY2027/28 (\$000)	FY2028/29 (\$000)	FY2029/30 (\$000)	FY2030/31 (\$000)	FY2031/32 (\$000)	FY2032/33 (\$000)	FY2033/34 (\$000)
Net debt attributed to water services (gross debt less cash)	68,388	72,247	91,717	113,608	128,259	139,073	136,253	133,693	126,123	122,759
Operating revenue – combined water services	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Net debt to operating revenue %	413%	421%	488%	546%	563%	557%	491%	439%	390%	364%

Borrowing headroom/(shortfall) for water services

Council has yet to attribute a Water Services debt level limit, however, for the purposes of this modelling has used the LGFA limit to CCO's of 500% until a limit can be agreed. The table indicates no headroom over years 3 to 5 of the plan, but Council at an organisational level has sufficient headroom to fund any unexpected expenditure. In this way Water Services are not constrained by the 500% limit. This will be reviewed as part of the development of the 2027/37 LTP.

Borrowing headroom/(shortfall) against limit	FY2024/25 (\$000)	FY2025/26 (\$000)	FY2026/27 (\$000)	FY2027/28 (\$000)	FY2028/29 (\$000)	FY2029/30 (\$000)	FY2030/31 (\$000)	FY2031/32 (\$000)	FY2032/33 (\$000)	FY2033/34 (\$000)
Operating revenue	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Debt to revenue limit for water services (%)	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt at borrowing limit	82,725	85,795	99,298	111,512	120,878	127,118	135,155	134,260	137,232	139,024
Projected net debt attributed to water services	68,388	72,246	91,717	113,608	128,259	139,073	136,253	133,693	126,123	122,759
Borrowing headroom/(shortfall) against limit	14,337	13,549	2,210	(9,481)	(14,360)	(14,244)	2,411	18,737	35,376	45,800

Free funds from operations

Council has an average ratio of 8.2% over the 10 years and is forecast to strengthen to 13.6% in 2033/34. This indicates as a standalone service, there is sufficient leverage to fund debt as required. While the FFO is below the 10% that would otherwise apply based on existing connection numbers, Council considers that its credit risk is lower than an equivalent WSCCO and therefore a lower FFO is reasonable. The plan shows that Council remains compliant with total council DTR and lending covenants.

Free funds from operations	FY2024/25 (\$000)	FY2025/26 (\$000)	FY2026/27 (\$000)	FY2027/28 (\$000)	FY2028/29 (\$000)	FY2029/30 (\$000)	FY2030/31 (\$000)	FY2031/32 (\$000)	FY2032/33 (\$000)	FY2033/34 (\$000)
Projected net debt attributed to water services	68,388	72,247	91,717	113,608	128,259	139,073	136,253	133,693	126,123	122,759
Projected free funds from operations – water services	6,357	6,211	6,543	6,810	7,910	9,250	10,742	13,749	15,261	16,636
Free funds from operations to net debt ratio	9.3%	8.6%	7.1%	6.0%	6.2%	6.7%	7.9%	10.3%	12.1%	13.6%

Part E: Projected financial statements for water services

Projected financial statements – Combined Water Services

Projected funding impact statement

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	150	123	247	395	347	383	390	438	449	460
Targeted rates	15,404	16,020	17,901	19,778	21,768	23,902	26,646	29,335	31,123	32,507
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	426	437	446	456	466	477	488	499	510	522
Fees and charges	565	579	191	196	199	204	209	214	218	223
Total sources of operating funding	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Applications of operating funding										
Payments to staff and suppliers	5,424	5,850	6,153	6,834	6,981	7,203	7,823	7,504	7,705	7,965
Finance costs	2,330	2,427	3,592	4,408	5,092	5,694	6,286	6,375	6,420	6,159
Internal charges and overheads applied	2,434	2,671	2,497	2,774	2,797	2,819	2,881	2,857	2,914	2,953
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	10,188	10,948	12,242	14,016	14,870	15,716	16,990	16,737	17,039	17,076
Surplus/(deficit) of operating funding	6,357	6,211	6,543	6,810	7,910	9,250	10,742	13,749	15,261	16,636
Source of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	640	783	670	686	1,265	1,294	1,324	1,353	1,385	1,416
Increase/(decrease) in debt	13,162	7,618	17,356	14,550	12,816	12,600	1,893	960	(5,572)	2,189
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	13,802	8,401	18,026	15,236	14,081	13,894	3,217	2,313	(4,186)	3,605
Applications of capital funding										
Capital expenditure - to meet additional demand	1	123	631	4,276	7,284	5,779	3	3	3	6,322
Capital expenditure - to improve levels of services	9,191	1,267	18,259	11,031	7,496	8,899	5,097	6,950	1,685	4,279
Capital expenditure - to replace existing assets	10,422	13,202	7,794	14,080	9,046	6,679	5,276	5,590	7,389	4,086
Increase/(decrease) in reserves	546	22	(2,115)	(7,342)	(1,835)	1,786	3,583	3,520	1,998	5,554
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	20,160	14,614	24,569	22,045	21,991	23,143	13,959	16,062	11,074	20,241
Surplus/(deficit) of capital funding	(6,358)	(6,213)	(6,543)	(6,810)	(7,910)	(9,250)	(10,742)	(13,749)	(15,261)	(16,636)
Funding balance	(1)	(2)	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	16,545	17,159	18,785	20,825	22,780	24,966	27,733	30,486	32,300	33,712
Other revenue	640	783	670	686	1,265	1,294	1,324	1,353	1,385	1,416
Total revenue	17,185	17,942	19,455	21,511	24,044	26,259	29,057	31,839	33,685	35,128
Expenses										
Operating expenses	5,424	5,850	6,153	6,834	6,981	7,203	7,823	7,504	7,705	7,965
Finance costs	2,330	2,427	3,592	4,408	5,092	5,694	6,286	6,375	6,420	6,159
Overheads and support costs	2,434	2,671	2,497	2,774	2,797	2,819	2,881	2,857	2,914	2,953
Depreciation & amortisation	6,035	7,270	7,542	8,069	8,650	9,147	9,609	9,872	10,194	10,461
Total expenses	16,223	18,218	19,784	22,084	23,520	24,863	26,599	26,609	27,233	27,537
Net surplus/(deficit)	962	(276)	6,153	6,834	6,981	7,203	7,823	7,504	7,705	7,965
Revaluation of infrastructure assets	10,074	1,393	4,307	4,790	5,410	5,842	6,227	6,394	6,603	6,743
Total comprehensive income	11,036	1,117	3,979	4,217	5,935	7,239	8,684	11,625	13,055	14,334
Cash surplus/(deficit) from operations (ex non-cash items)	6,997	6,994	7,213	7,496	9,174	10,543	12,066	15,103	16,646	18,052

Projected statement of cashflows

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	6,997	6,994	7,213	7,496	9,174	10,543	12,066	15,103	16,646	18,052
[Other items]			0							
Net cashflows from operating activities	6,997	6,994	7,213	7,496	9,174	10,543	12,066	15,103	16,646	18,052
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(19,614)	(14,592)	(26,684)	(29,387)	(23,826)	(21,357)	(9,246)	(12,543)	(9,077)	(14,687)
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from investing activities	(19,614)	(14,592)	(26,684)	(29,387)	(23,826)	(21,357)	(9,246)	(12,543)	(9,077)	(14,687)
Cashflows from financing activities										
New borrowings	13,162	11,307	21,320	19,221	18,115	18,485	8,376	7,699	1,403	9,185
Repayment of borrowings	0	(3,688)	(3,964)	(4,671)	(5,299)	(5,885)	(6,483)	(6,740)	(6,974)	(6,996)
Net cashflows from financing activities	13,162	7,619	17,356	14,550	12,816	12,600	1,893	960	(5,572)	2,189
Net increase/(decrease) in cash and cash equivalents	545	21	(2,115)	(7,342)	(1,835)	1,786	4,713	3,520	1,998	5,554
Cash and cash equivalents at beginning of year	3,616	4,161	4,182	2,067	(5,275)	(7,109)	(5,323)	(610)	2,910	4,908
Cash and cash equivalents at end of year	4,161	4,182	2,067	(5,275)	(7,109)	(5,323)	(610)	2,910	4,908	10,461

Projected statement of financial position

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	4,161	4,181	2,067	(5,275)	(7,109)	(5,323)	(610)	2,910	4,908	10,461
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	325,319	345,150	368,599	394,708	415,294	433,346	439,210	448,275	453,761	464,731
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	329,480	349,331	370,667	389,433	408,184	428,023	438,600	451,185	458,669	475,192
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	72,549	76,428	93,784	108,333	121,150	133,750	135,643	136,603	131,031	133,220
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	72,549	76,428	93,784	108,333	121,150	133,750	135,643	136,603	131,031	133,220
Net assets	256,931	272,903	276,883	281,100	287,035	294,273	302,957	314,582	327,638	341,972
Equity										
Revaluation reserves	206,999	206,999	211,306	216,096	221,506	227,348	233,575	239,969	246,572	253,315
Other reserves	49,932	65,904	65,577	65,004	65,529	66,925	69,382	74,613	81,065	88,656
Total equity	256,931	272,903	276,882	281,159	287,283	294,722	303,606	315,431	328,686	343,221

Projected financial statements – Drinking Water

Projected funding impact statement

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	7,951	8,657	10,001	9,981	11,303	12,693	12,938	14,751	14,857	15,969
Subsidies and grants for operating purposes			0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other			0	0	0	0	0	0	0	0
Fees and charges	451	463	72	74	75	77	79	81	82	84
Total sources of operating funding	8,402	9,120	10,073	10,055	11,378	12,770	13,017	14,832	14,939	16,053
Applications of operating funding										
Payments to staff and suppliers	3,030	3,370	3,456	3,561	3,696	3,792	3,867	3,957	4,059	4,137
Finance costs	1,351	1,361	1,960	2,122	2,619	2,931	2,892	2,893	2,769	2,645
Internal charges and overheads applied	1,072	1,177	1,101	1,124	1,140	1,156	1,180	1,168	1,190	1,204
Other operating funding applications										
Total applications of operating funding	5,453	5,908	6,517	6,807	7,455	7,879	7,940	8,017	8,018	7,986
Surplus/(deficit) of operating funding	2,949	3,212	3,556	3,248	3,923	4,891	5,077	6,815	6,920	8,068
Source of capital funding										
Subsidies and grants for capital expenditure										
Development and financial contributions	177	429	185	190	194	198	203	207	212	217
Increase/(decrease) in debt	8,843	4,904	3,448	10,578	6,642	(823)	2	(2,620)	(2,652)	(3,683)
Gross proceeds from sales of assets										
Other dedicated capital funding										
Total sources of capital funding	9,020	5,333	3,633	10,768	6,836	(625)	205	(2,413)	(2,440)	(3,466)
Applications of capital funding										
Capital expenditure - to meet additional demand	0	123	629	4,115	1	1	1	1	1	1
Capital expenditure - to improve levels of services	9,191	554	3,784	6,624	7,241	98	1,008	0	0	0
Capital expenditure - to replace existing assets	2,924	7,868	4,075	3,213	5,882	3,779	4,120	2,141	4,614	1,395
Increase/(decrease) in reserves	(146)	(1)	(1,299)	64	(2,364)	389	153	2,260	(134)	3,206
Increase/(decrease) in investments										
Total applications of capital funding	11,969	8,544	7,189	14,016	10,760	4,267	5,282	4,402	4,481	4,602
Surplus/(deficit) of capital funding	(2,949)	(3,211)	(3,556)	(3,248)	(3,923)	(4,891)	(5,077)	(6,815)	(6,920)	(8,068)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	8,402	9,120	10,073	10,055	11,378	12,770	13,017	14,832	14,939	16,053
Other revenue	177	429	185	190	194	198	203	207	212	217
Total revenue	8,579	9,549	10,258	10,245	11,572	12,968	13,220	15,039	15,151	16,270
Expenses										
Operating expenses	3,030	3,370	3,456	3,561	3,696	3,792	3,867	3,957	4,059	4,137
Finance costs	1,351	1,361	1,960	2,122	2,619	2,931	2,892	2,893	2,769	2,645
Overheads and support costs	1,072	1,177	1,101	1,124	1,140	1,156	1,180	1,168	1,190	1,204
Depreciation & amortisation	2,641	3,301	3,470	3,641	3,909	4,168	4,273	4,401	4,480	4,601
Total expenses	8,094	9,209	9,987	10,448	11,363	12,046	12,213	12,418	12,498	12,586
Net surplus/(deficit)	485	340	271	(203)	209	922	1,007	2,621	2,653	3,684
Revaluation of infrastructure assets	1,182	1,393	1,592	1,773	2,106	2,343	2,398	2,477	2,496	2,564
Total comprehensive income	1,667	1,733	1,863	1,569	2,315	3,265	3,405	5,098	5,149	6,248
Cash surplus/(deficit) from operations (ex non-cash items)	3,126	3,641	3,741	3,438	4,117	5,089	5,280	7,022	7,132	8,285

Projected statement of cashflows

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	3,126	3,641	3,741	3,438	4,117	5,089	5,280	7,022	7,132	8,285
[Other items]										
Net cashflows from operating activities	3,126	3,641	3,741	3,438	4,117	5,089	5,280	7,022	7,132	8,285
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(12,115)	(8,545)	(8,488)	(13,952)	(13,124)	(3,878)	(5,129)	(2,142)	(4,615)	(1,396)
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from investing activities	(12,115)	(8,545)	(8,488)	(13,952)	(13,124)	(3,878)	(5,129)	(2,142)	(4,615)	(1,396)
Cashflows from financing activities										
New borrowings	8,843	6,952	5,728	13,049	9,548	2,401	3,306	794	789	(216)
Repayment of borrowings		(2,048)	(2,280)	(2,471)	(2,906)	(3,224)	(3,304)	(3,414)	(3,441)	(3,467)
Net cashflows from financing activities	8,843	4,904	3,448	10,578	6,642	(823)	2	(2,620)	(2,652)	(3,683)
Net increase/(decrease) in cash and cash equivalents	(146)	0	(1,299)	64	(2,364)	389	153	2,260	(134)	3,206
Cash and cash equivalents at beginning of year	666	520	520	(779)	(715)	(3,079)	(2,691)	(2,537)	(277)	(411)
Cash and cash equivalents at end of year	520	520	(779)	(686)	(2,958)	(2,468)	(2,212)	150	118	3,425

Projected statement of financial position

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	520	520	(779)	(715)	(3,079)	(2,691)	(2,537)	(277)	(411)	2,794
Other current assets										
Infrastructure assets	117,020	133,945	140,555	152,638	163,960	166,014	169,267	169,485	172,117	171,476
Other non-current assets										
Total assets	117,540	134,465	139,776	151,924	160,881	163,323	166,730	169,208	171,705	174,271
Liabilities										
Borrowings – current portion										
Other current liabilities										
Borrowings – non-current portion	40,596	41,697	45,145	55,723	62,365	61,542	61,544	58,924	56,273	52,590
Other non-current liabilities										
Total liabilities	40,596	41,697	45,145	55,723	62,365	61,542	61,544	58,924	56,273	52,590
Net assets	76,944	92,768	94,631	96,260	98,765	102,230	105,835	111,133	116,482	122,930
Equity										
Revaluation reserves	79,295	79,295	80,887	82,660	84,766	87,110	89,508	91,985	94,481	97,045
Other reserves	(2,351)	13,473	13,744	13,540	13,749	14,671	15,678	18,299	20,951	24,635
Total equity	76,944	92,768	94,631	96,200	98,515	101,781	105,185	110,284	115,433	121,681

Projected financial statements – Wastewater

Projected funding impact statement

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	6,102	6,254	6,931	7,428	7,753	8,606	10,207	11,627	13,071	13,267
Subsidies and grants for operating purposes	0		0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	426	437	446	456	466	477	488	499	510	522
Fees and charges	113	115	118	121	123	126	129	132	135	138
Total sources of operating funding	6,641	6,806	7,495	8,005	8,342	9,209	10,824	12,258	13,716	13,927
Applications of operating funding										
Payments to staff and suppliers	2,003	2,074	2,228	2,266	2,316	2,498	2,545	2,603	2,674	2,848
Finance costs	861	969	1,487	1,715	1,718	2,017	2,435	2,544	2,602	2,488
Internal charges and overheads applied	981	1,076	1,007	1,029	1,043	1,057	1,080	1,069	1,089	1,102
Other operating funding applications										
Total applications of operating funding	3,845	4,119	4,722	5,010	5,078	5,572	6,060	6,217	6,365	6,438
Surplus/(deficit) of operating funding	2,796	2,687	2,772	2,995	3,265	3,637	4,764	6,042	7,350	7,489
Source of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	463	354	485	496	1,071	1,096	1,121	1,146	1,173	1,199
Increase/(decrease) in debt	4,501	2,245	4,840	77	6,353	8,900	2,320	1,224	(2,416)	3,899
Gross proceeds from sales of assets										
Other dedicated capital funding										
Total sources of capital funding	4,964	2,599	5,325	573	7,424	9,995	3,441	2,371	(1,243)	5,098
Applications of capital funding										
Capital expenditure - to meet additional demand	1		1	160	7,282	5,777	1	1	1	6,320
Capital expenditure - to improve levels of services	0	62	5,405	209	0	3,850	3,939	4,030	1,546	1,580
Capital expenditure - to replace existing assets	7,498	5,334	3,719	10,844	3,164	2,900	1,130	3,449	2,699	2,682
Increase/(decrease) in reserves	262	(108)	(1,028)	(7,644)	243	1,106	3,135	933	1,862	2,005
Increase/(decrease) in investments										
Total applications of capital funding	7,761	5,288	8,097	3,569	10,688	13,633	8,205	8,413	6,108	12,588
Surplus/(deficit) of capital funding	(2,797)	(2,689)	(2,772)	(2,995)	(3,265)	(3,637)	(4,764)	(6,042)	(7,350)	(7,489)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	6,641	6,806	7,495	8,005	8,342	9,209	10,824	12,258	13,716	13,927
Other revenue	463	354	485	496	1,071	1,096	1,121	1,146	1,173	1,199
Total revenue	7,104	7,160	7,980	8,501	9,413	10,305	11,945	13,405	14,889	15,126
Expenses										
Operating expenses	2,003	2,074	2,228	2,266	2,316	2,498	2,545	2,603	2,674	2,848
Finance costs	861	969	1,487	1,715	1,718	2,017	2,435	2,544	2,602	2,488
Overheads and support costs	981	1,076	1,007	1,029	1,043	1,057	1,080	1,069	1,089	1,102
Depreciation & amortisation	2,760	3,272	3,364	3,555	3,785	4,006	4,265	4,382	4,561	4,687
Total expenses	6,605	7,391	8,086	8,565	8,863	9,578	10,325	10,598	10,926	11,125
Net surplus/(deficit)	499	(231)	(106)	(64)	550	727	1,620	2,806	3,963	4,001
Revaluation of infrastructure assets	6,921	0	2,142	2,309	2,519	2,716	2,955	3,047	3,187	3,262
Total comprehensive income	7,420	(231)	2,036	2,245	3,069	3,443	4,575	5,853	7,149	7,263
Cash surplus/(deficit) from operations (ex non-cash items)	3,259	3,041	3,257	3,491	4,335	4,733	5,885	7,188	8,524	8,688

Projected statement of cashflows

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	3,259	3,041	3,257	3,491	4,335	4,733	5,885	7,188	8,524	8,688
[Other items]										
Net cashflows from operating activities	3,259	3,041	3,257	3,491	4,335	4,733	5,885	7,188	8,524	8,688
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(7,499)	(5,396)	(9,125)	(11,213)	(10,446)	(12,527)	(3,940)	(7,480)	(4,246)	(10,582)
[Other items]										
Net cashflows from investing activities	(7,499)	(5,396)	(9,125)	(11,213)	(10,446)	(12,527)	(3,940)	(7,480)	(4,246)	(10,582)
Cashflows from financing activities										
New borrowings	4,501	3,704	6,421	1,873	8,211	11,032	4,819	3,884	374	6,701
Repayment of borrowings		(1,458)	(1,581)	(1,796)	(1,858)	(2,132)	(2,499)	(2,660)	(2,789)	(2,802)
Net cashflows from financing activities	4,501	2,246	4,840	77	6,353	8,900	2,320	1,224	(2,416)	3,899
Net increase/(decrease) in cash and cash equivalents	261	(109)	(1,028)	(7,644)	243	1,106	4,265	933	1,862	2,005
Cash and cash equivalents at beginning of year	1,490	1,751	1,642	614	(7,030)	(6,788)	(5,682)	(1,417)	(484)	1,377
Cash and cash equivalents at end of year	1,751	1,641	614	(7,030)	(6,788)	(5,682)	(1,417)	(484)	1,377	3,383

Projected statement of financial position

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	1,751	1,641	614	(7,030)	(6,788)	(5,682)	(1,417)	(484)	1,377	3,383
Other current assets										
Infrastructure assets	163,981	166,105	174,009	183,976	193,155	204,393	207,023	213,168	216,039	225,197
Other non-current assets										
Total assets	165,732	167,746	174,623	176,945	186,368	198,711	205,606	212,683	217,417	228,580
Liabilities										
Borrowings – current portion										
Other current liabilities										
Borrowings – non-current portion	29,399	31,644	36,485	36,562	42,916	51,816	54,135	55,359	52,944	56,843
Other non-current liabilities										
Total liabilities	29,399	31,644	36,485	36,562	42,916	51,816	54,135	55,359	52,944	56,843
Net assets	136,333	136,102	138,138	140,383	143,452	146,895	151,470	157,324	164,473	171,737
Equity										
Revaluation reserves	94,695	94,695	96,837	99,146	101,665	104,381	107,336	110,383	113,570	116,832
Other reserves	41,638	41,407	41,301	41,237	41,787	42,514	44,134	46,941	50,903	54,904
Total equity	136,333	136,102	138,138	140,383	143,452	146,895	151,470	157,324	164,473	171,737

Projected financial statements – Stormwater

Projected funding impact statement

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	150	123	247	395	347	383	390	438	449	460
Targeted rates	1,351	1,109	970	2,370	2,712	2,602	3,500	2,956	3,196	3,270
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										
Fees and charges	1	1	1	1	1	1	1	1	1	1
Total sources of operating funding	1,502	1,233	1,218	2,766	3,060	2,986	3,891	3,395	3,646	3,731
Applications of operating funding										
Payments to staff and suppliers	391	406	469	1,007	970	914	1,411	945	972	980
Finance costs	118	97	145	571	754	746	958	938	1,049	1,025
Internal charges and overheads applied	381	418	389	621	614	606	621	620	635	647
Other operating funding applications										
Total applications of operating funding	890	921	1,003	2,199	2,338	2,265	2,990	2,503	2,656	2,652
Surplus/(deficit) of operating funding	612	312	215	567	722	721	901	892	990	1,079
Source of capital funding										
Subsidies and grants for capital expenditure										
Development and financial contributions	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in debt	(182)	469	9,068	3,894	(179)	4,523	(429)	2,356	(504)	1,973
Gross proceeds from sales of assets										
Other dedicated capital funding										
Total sources of capital funding	(182)	469	9,068	3,894	(179)	4,523	(429)	2,356	(504)	1,973
Applications of capital funding										
Capital expenditure - to meet additional demand	0	0	1	1	1	1	1	1	1	1
Capital expenditure - to improve levels of services	0	651	9,070	4,198	255	4,951	150	2,920	139	2,699
Capital expenditure - to replace existing assets	0	0	0	23	0	0	26	0	76	9
Increase/(decrease) in reserves	430	131	212	238	287	292	295	327	270	343
Increase/(decrease) in investments										
Total applications of capital funding	430	782	9,283	4,461	543	5,244	472	3,248	486	3,052
Surplus/(deficit) of capital funding	(612)	(313)	(215)	(567)	(722)	(721)	(901)	(892)	(990)	(1,079)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	1,502	1,233	1,218	2,766	3,060	2,986	3,891	3,395	3,646	3,731
Other revenue	0	0	0	0	0	0	0	0	0	0
Total revenue	1,502	1,233	1,218	2,766	3,060	2,986	3,891	3,395	3,646	3,731
Expenses										
Operating expenses	391	406	469	1,007	970	914	1,411	945	972	980
Finance costs	118	97	145	571	754	746	958	938	1,049	1,025
Overheads and support costs	381	418	389	621	614	606	621	620	635	647
Depreciation & amortisation	634	697	708	872	956	974	1,071	1,089	1,153	1,173
Total expenses	1,524	1,618	1,711	3,071	3,294	3,239	4,061	3,592	3,809	3,825
Net surplus/(deficit)	(22)	(385)	(493)	(305)	(234)	(252)	(170)	(197)	(163)	(94)
Revaluation of infrastructure assets	1,971	0	572	708	785	783	874	870	920	916
Total comprehensive income	1,949	(385)	80	403	551	531	704	673	757	823
215	567	722	721	901	892	990	1,079	215	567	722

Projected statement of cashflows

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	612	312	215	567	722	721	901	892	990	1,079
[Other items]										
Net cashflows from operating activities	612	312	215	567	722	721	901	892	990	1,079
Cashflows from investing activities										
Capital expenditure – infrastructure assets	0	(651)	(9,071)	(4,222)	(256)	(4,952)	(177)	(2,921)	(216)	(2,709)
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from investing activities	0	(651)	(9,071)	(4,222)	(256)	(4,952)	(177)	(2,921)	(216)	(2,709)
Cashflows from financing activities										
New borrowings	(182)	651	9,171	4,299	356	5,052	251	3,021	240	2,700
Repayment of borrowings		(182)	(103)	(405)	(535)	(529)	(680)	(665)	(744)	(727)
Net cashflows from financing activities	(182)	469	9,068	3,894	(179)	4,523	(429)	2,356	(504)	1,973
Net increase/(decrease) in cash and cash equivalents	430	130	212	238	287	292	295	327	270	343
Cash and cash equivalents at beginning of year	1,460	1,890	2,020	2,232	2,471	2,757	3,049	3,345	3,671	3,941
Cash and cash equivalents at end of year	1,890	2,020	2,232	2,471	2,757	3,049	3,345	3,671	3,941	4,284

Projected statement of financial position

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	1,890	2,020	2,232	2,471	2,757	3,049	3,345	3,671	3,941	4,284
Other current assets										
Infrastructure assets	44,318	45,100	54,035	58,094	58,179	62,940	62,920	65,622	65,605	68,058
Other non-current assets										
Total assets	46,208	47,120	56,268	60,564	60,936	65,989	66,265	69,294	69,547	72,342
Liabilities										
Borrowings – current portion										
Other current liabilities										
Borrowings – non-current portion	2,554	3,087	12,155	16,049	15,870	20,393	19,964	22,320	21,816	23,789
Other non-current liabilities										
Total liabilities	2,554	3,087	12,155	16,049	15,870	20,393	19,964	22,320	21,816	23,789
Net assets	43,654	44,033	44,113	44,515	45,066	45,596	46,301	46,974	47,731	48,553
Equity										
Revaluation reserves	33,009	33,009	33,612	34,320	35,105	35,888	36,762	37,632	38,552	39,469
Other reserves	10,645	11,024	10,500	10,195	9,961	9,708	9,539	9,342	9,178	9,085
Total equity	43,654	44,033	44,113	44,515	45,066	45,596	46,301	46,974	47,731	48,553

Water Services Delivery Plan: additional information

Significant capital projects

For the purpose of this breakdown, significant projects listed below are a combination significant value and / or inclusion of projects that address compliance / growth matters identified in the plan.

Significant capital projects – drinking water:

Significant capital projects – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Second Bridge Watermain - Wilkins to Grahams Rds.	-	123,000	628,560	642,360	-	-	-	-	-	-
Ashburton - Peri-Urban Water Servicing	-	-	-	3,472,857	-	-	-	-	-	-
Total investment to meet additional demand	-	\$123,000	\$628,560	\$4,115,217	-	-	-	-	-	-
Projects to improve levels of services										
Ashburton – UV treatment upgrade	\$7,000,000									
Ashburton Additional source	-	-	-	-	-	\$98,498	\$1,007,688	-	-	-
Ashburton 2nd Bridge – Watermain on bridge					\$3,282,300					
Methven - New 800-1000 m³reservoir	-	-	-	\$149,884	\$1,378,566	-	-	-	-	-
Rakaia - UV Upgrade	\$1,349,000	-	-	-	-	-	-	-	-	-
Rakaia - New ~500m³ reservoir (or 2x238m³)	-	-	-	\$96,354	\$886,221	-	-	-	-	-
Montalto water scheme upgrade	-	-	-	\$1,528,000	-	-	-	-	-	-
Water meter rollout Ashburton & Rakaia	-	-	\$3,784,000	\$3,866,000	-	-	-	-	-	-
Tinwald Nitrate management	-	-	-	-	\$1,129,000	-	-	-	-	-
Total investment to meet improve levels of services	\$9,191,400	\$553,550	\$3,784,000	\$6,513,418	\$7,241,087	\$98,498	\$1,007,688	-	-	-
Projects to replace existing assets										
Ashburton Water Main renewals	\$349,960	\$1,570,587	\$2,107,226	\$1,250,071	\$1,731,711	\$2,203,780	\$1,462,116	\$1,545,352	\$1,536,355	\$1,264,214
UV Project	\$2,000,000	-	-	-	-	-	-	-	-	-
Methven Water Main renewals	\$2,236,794	\$1,839,195	\$12,225	\$250,255	\$261,458	\$228,578	\$150,152	\$190,922	\$94,944	-
Rakaia Water Main renewals	\$106,490	\$1,391,518	-	\$ 25,619	\$525,297	\$541,025	\$34,353	\$35,142	\$35,949	\$36,741
Other Water main / plant renewals	\$1,371,052	\$4,232,185	\$3,149,571	\$2,908,020	\$4,610,322	\$2,081,981	\$3,779,174	\$1,704,645	\$4,312,915	\$1,490,460
Total investment to replace existing assets	\$2,924,296	\$7,868,159	\$4,075,759	\$3,213,482	\$5,881,514	\$3,779,361	\$4,120,381	\$2,140,664	\$4,614,101	\$1,395,257
Total investment in drinking water assets	\$12,115,696	\$8,544,709	\$8,487,319	\$13,842,117	\$13,122,601	\$3,877,860	\$5,128,069	\$2,140,664	\$4,614,101	\$1,395,257

Significant capital projects – wastewater

Significant capital projects – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Tuarangi Road Block - Residential C Zone Servicing	-	-	-	160,076	1,635,898	-	-	-	-	-
Hinds scheme	-	-	-	-	-	-	-	-	-	6,319,000
Business district expansion	-	-	-	-	5,645,000	5,775,000	-	-	-	-
Total investment to meet additional demand	0	0	0	\$160,076	\$7,280,898	\$5,775,000	0	0	0	\$6,319,000
Projects to improve levels of services										
Ocean Farm Wetland Irrigation	-	-	5,405,000	-	-	-	-	-	-	-
Ocean Farm Nitrate Management	-	-	-	-	-	3,850,000	3,939,000	4,029,000	-	-
Rakaia & Methven RC	-	-	-	-	-	-	-	-	1,545,000	1,579,000
Total investment to meet improve levels of services	-	\$61,500	\$5,405,000	\$208,767	-	\$3,850,000	\$3,939,000	\$4,029,000	\$1,545,000	\$1,579,000
Projects to replace existing assets										
Ocean Farm Wetland Remediation	-	\$512,500	\$523,800	-	-	-	-	-	-	-
Ashburton Renewals	\$153,725	\$2,132,288	\$2,059,664	\$10,149,804	\$2,315,240	\$2,240,358	\$836,595	\$1,788,188	\$2,438,457	\$2,415,602
Grit Chamber & Renewals	\$7,000,000	-	-	-	-	-	-	-	-	-
Methven Renewals	\$134,037	\$2,474,691	\$402,133	\$469,809	\$619,114	\$424,191	\$52,711	\$1,414,466	\$8,987	\$9,185
Rakaia Renewals	-	-	\$513,324	-	-	-	-	-	-	-
Total investment to replace existing assets	\$7,497,762	\$5,334,729	\$3,718,917	\$10,844,439	\$3,164,115	\$2,899,603	\$1,129,777	\$3,448,647	\$2,699,087	\$2,681,974
Total investment in wastewater assets	\$7,497,762	\$5,396,229	\$9,123,917	\$11,213,282	\$10,445,014	\$12,524,603	\$5,068,777	\$7,477,647	\$4,244,087	\$10,579,974

Significant capital projects – stormwater

Significant capital projects – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
-	-	-	-	-	-	-	-	-	-	-
Total investment to meet additional demand	-	-	-	-	-	-	-	-	-	-
Projects to improve levels of services										
West St Attenuation & Treatment Facilities - D&C	-	-	\$1,843,853	-	-	-	-	-	-	-
West St Trunk Stormwater Main (Havelock/River) - Construction	-	\$554,320	5,098,879	-	-	-	-	-	-	-
West St Trunk main (Wills/Havelock) - D&C	-	\$96,350	\$1,871,014	-	-	-	-	-	-	-
Chalmers Ave Attenuation & Treatment Facilities - D&C	-	-	\$216,225	\$4,198,465	-	-	-	-	-	-
West St Trunk Stormwater Main (Walnut/Wills) - D&C	-	-	-	-	\$254,706	\$4,950,888	-	-	-	-
West St Trunk Stormwater Main (Mill Ck/Walnut) - D&C	-	-	-	-	-	-	\$150,237	\$2,920,066	-	-
Trevors Rd Attenuation & Treatment Facilities - D&C	-	-	-	-	-	-	-	-	\$139,003	\$2,699,239
Total investment to meet improve levels of services	0	\$650,670	\$9,029,970	\$4,198,465	\$254,706	\$4,950,888	\$150,237	\$2,920,066	\$139,003	\$2,699,239
Projects to replace existing assets										
-	0	0	\$23,000	0	0	\$26,000	0	\$76,000	\$9,000	0
Total investment to replace existing assets	0	0	\$23,000	0	0	\$26,000	0	\$76,000	\$9,000	0
Total investment in stormwater assets	0	\$650,670	\$9,029,970	\$4,198,465	\$254,706	\$4,950,888	\$150,237	\$2,920,066	\$139,003	\$2,699,239

Risks and assumptions

Disclosure of risks and material assumptions for water services delivery

These assumptions and risks are taken from the 2024-34 Council Infrastructure Strategy and the corporate risk register where relevant to Water Services and have been reviewing/updated in the preparation of the WSDP to recognise new risks from a SABU.

Key risks:

Parameters	Drinking supply	Wastewater	Stormwater
Future water service delivery	Natural disasters could disrupt the capital programme (e.g. AF8 earthquake). Data quality issues could impact the ability to effectively plan for renewals. Failure to act in a timely manner exacerbates climate risks and mitigation/adaptation costs, reduces benefits arising from new opportunities and increases dissatisfaction from members of the community. Conflict between urban versus rural expectations on water services issues (e.g. land management, rural stormwater, drinking water/use) create additional demands on council to resolve.		
Network performance	Critical asset failure could disrupt capital programme and delivery. Service interruption or compliance failures could impact programme and service delivery		More frequent storms and rainfall events may require more investment than planned.
Regulatory compliance	Ongoing legislation reform could create future standards changes.		New legislative reform increases stormwater compliance requirements
Delivery of Capital Programme	Supply chain issues impact the timing, cost and delivery of the capital programme. Scarce resources and availability, including those caused by peaks of work across the country in response to regulatory changes, may impact the delivery of the capital programme (e.g. contractors, consultants, project managers, and specialists at suppliers contractors). Inflationary pressure may require prioritisation of the capital programme.		
Organisational capacity	Losing three water talent to the region or beyond, especially if the SABU remains small when neighbours are scaling up (skilled and qualified staff will be in high demand, and larger organisations can offer more diverse and challenging work). Lack of trained/qualified resources with technical/specialist expertise impacts existing staff workloads and the quality of service delivery. Losing the availability of external resources to others in the region or larger water suppliers, resulting in poor service and high prices.		

Parameters	Drinking supply	Wastewater	Stormwater
Long term issues e.g. providing for growth, climate change	Climate change could increase levels of investment needed to meet level of service expectations. Direct costs of damage caused to facilities and assets by natural hazard events (including climate change), and rising insurance costs attributed to increased hazards or actual damage. Significant and unanticipated growth, or growth in areas not previously expected, may require increased investment into growth projects. Asset revaluation increasing depreciation costs could lead to rate rises above expectations.		

Key assumptions:

Parameters	Drinking supply	Wastewater	Stormwater
Future water service delivery	Deliver on Asset Management Plan and 30-year Infrastructure Strategy Obtain and maintain compliance with all applicable regulations, particularly Water Services Regulation 2022 Universal water metering in place (volumetric charging a decision for future Council's)	Deliver on Asset Management Plan and 30-year Infrastructure Strategy	Deliver on Asset Management Plan and 30-year Infrastructure Strategy
Network performance	Continue to replace aging assets to minimise risk of failures Leakage and loss data will inform renewal programme decisions	Continue to replace aging assets to minimise risk of failures Infiltration and leakage data will inform renewal programme decisions	Asset condition assessments will ensure timely renewal decisions
Regulatory compliance	Current and future regulatory compliance will be achieved.		
Delivery of Capital Programme	We will continue to deliver on our capital programme, and will have sufficient resources available.		
Organisational capacity	We assume we will be able to retain enough skilled staff to deliver effectively. We assume that we will have an increased FTE count, based on future requirement for delivery.		
Long term issues e.g. providing for growth, climate change	Population growth and climate change assumptions are reviewed regularly.		

Draft Implementation Plan

