

# Water Services Delivery Plan Assessment

Assessment Report – Ōpōtiki District Council



## Glossary and abbreviations

The table below sets out the abbreviations used in this report

	Abbreviation
Asset Management Plan	AMP
Capital expenditure	Capex
Department of Internal Affairs	Department
Drinking Water Quality Assurance Rules	DWQAR
Eastern Bay of Plenty	EBoP
Funds From Operations	FFO
In-house Business Unit	IBU
Levels of service	LOS
Local Government Funding Agency	LGFA
Local Government (Water Services Preliminary Arrangements) Act 2024	Preliminary Arrangements Act
Long Term Plan	LTP
Ōpōtiki District Council	ŌDC
Water Services Delivery Plan	Plan
Wastewater treatment plant	WWTP
Water services council-controlled organisation	WSCCO

# Assessment Cover Sheet

## Background on council/s and engagement with the Department

Detail	Commentary
<b>Councils involved in plan</b>	Ōpōtiki District Council
<b>Number of connections</b>	Drinking water: 2834 Wastewater: 1851 Stormwater: 1851
<b>DIA comment on council engagement during Plan development process</b>	<ul style="list-style-type: none"> <li>• ŌDC has been proactive in their engagement with the Department throughout the development of their Plan through the Eastern Bay of Plenty (EBoP) collaboration.</li> <li>• In January 2025, the Department provided a draft document prepared to provide information to ŌDC, Kawerau District Council (KDC), Rotorua Lakes District Council (RLDC), Whakatāne District Council (WDC), Tauranga City Council (TCC) and Western Bay of Plenty District Council (WBoP) on the financial viability of a Bay of Plenty WSCCO. Following this, the Department met with the four EBoP Chief Executives in February 2025 to discuss analysis for the four Council sub-regional grouping with ŌDC, WDC, KDC, and RLDC and to discuss primary financial benefits and implementation approaches available. It was confirmed that a WSCCO model would likely be financially sustainable.</li> <li>• Following public consultation, on 26 June 2025, ŌDC resolved that an IBU was their preferred delivery model.</li> <li>• The final Plan was submitted on 22 August 2025.</li> <li>• On 28 August 2025, the ŌDC, Whakatāne, Kawerau, and Rotorua Lakes District Councils wrote to the Department seeking assistance to explore the development of a multi-council WSCCO.</li> <li>• On 19 September 2025, the Department held a workshop with ŌDC, WDC, KDC, and RLDC to assist with progressing their investigation of a joint WSCCO arrangement.</li> </ul>
<b>Feedback provided to council prior to submission on Draft Plan</b>	<ul style="list-style-type: none"> <li>• ŌDC provided the Department with a draft Plan for review on 23 July 2025. The Department responded on 7 August 2025 with feedback stating that from the assessment of the draft, the Department had identified some areas where additional information would be needed to clearly demonstrate financial sustainability.</li> </ul>

Engagement with council during review and assessment process	N/A
Other Background Comments	N/A

## Assessment Summary

Section	Commentary
<b>Confirmation of submission completeness checklist</b>	Yes – all required components completed.
<b>General Comment on Plan</b>	The Plan demonstrates financial sustainability, with sufficient revenue to cover the costs, and sufficient investment to meet relevant regulatory standards.
<b>Financial Sustainability Comment</b>	The Plan explains how the delivery of water services will be financially sustainable and that revenue is sufficient to cover the long-term investment that meets the LOS, regulatory requirements and provides for growth. The actions required to achieve financially sustainable delivery of water services are provided in the implementation plan, and the Plan outlines risks and constraints.
<b>Revenue Sufficiency</b>	The average projected charges for water services rise from \$2,175 to \$5,485, an increase of 152% over 10 years. Water charges as a percentage of average household income grows over the ten-year period from 3.0% to 5.5%, higher than the Department’s guidance of 2.5% of median household income for affordability. Projected revenue is not split between residential and commercial charges, but it will cover the costs of water services from 2027/28 because depreciation is fully funded. The Plan has projected operating cash surpluses for water services every year.
<b>Investment Sufficiency</b>	The Plan demonstrates investment is sufficient to meet the requirements for growth, LOS and compliance. Investment is consistent with both AMPs and the Infrastructure Strategy, and renewals are sufficient to meet requirements. The asset life remaining is stable due to investment in renewals.

<b>Financing Sufficiency</b>	The Plan confirms sufficient funding and financing can be secured to deliver water services. The projected whole of council borrowings is within the internal limit of 150% and LGFA's limit of 175% net debt to revenue. Projected borrowings for water services are \$52m over 10 years and peak in 2028/29 at 576% net debt to revenue breaching the in-house water debt limit of 500% in all years, except for 2033/34. ŌDC has no borrowing headroom for water services until 2033/34 but has headroom at a whole of Council level and could on lend if required. Also, in the first year and the last year of the plan net debt attributed to water services is greater than the whole of Council net debt.
<b>Overall assessment recommendation</b>	The overall recommendation from the assessment phase is to <b>accept</b> the Plan from ŌDC.

## Issues for discussion with Panel

Issue	Description	Recommended treatment
<b>Delivery of the capital programme</b>	There is a significant uplift in the capex programme (over 200% compared to historical actuals).	We recommend that delivery of the capital programme is monitored during implementation
<b>Price pathway and affordability</b>	<p>The average projected charges for water services rise from \$2,175 to \$5,485, an increase of 152% over 10 years. As a percentage of median household income this is an increase from 3.0% to 5.5%.</p> <p>This is significantly higher than the Department's guidance of 2.5% of medium household income. The council acknowledges this in their plan and notes that ongoing work to establish a joint water entity in the future as the key mitigation to address this.</p> <p>We note that under a future joint arrangement with other councils' affordability would improve.</p>	We recommend the price pathway is monitored during implementation to ensure charges are affordable for the community.
<b>Projected water services borrowings against borrowing limits and headroom</b>	<p>Projected water services borrowings peak in 2028/29 at 576% net debt to revenue and breach the in-house water debt limit of 500% in all years, except for 2033/34.</p> <p>ŌDC has no borrowing headroom for water services until 2033/34 but has headroom at a whole of Council level and they could on lend if required.</p>	We recommend monitoring water services borrowing levels against limits and headroom during implementation.

## Additional areas for monitoring

In addition to the areas referenced in the tabled above, monitoring is also recommended for the areas described below.

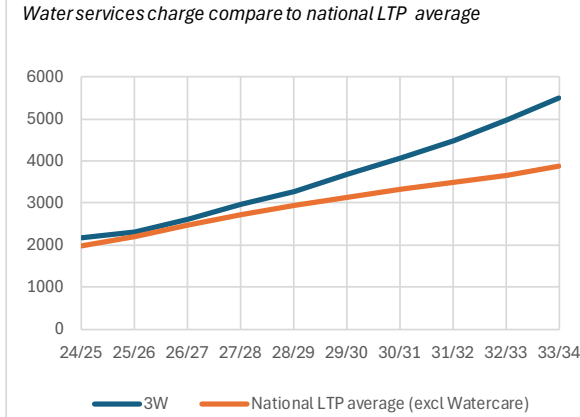
Proposed areas for monitoring	Description
<b>Charging and billing arrangements</b>	Current charging mechanisms are described in detail. These will continue until 30 June 2028. Charging details are not provided for after this date.

**Council summary information**

Summary information	Level
Current population	10,400
Drinking water connections	2,834
Wastewater connections	1,851
Stormwater connections	1,851
High growth council	No
10 year population growth	14.4%



**Affordability and growth**



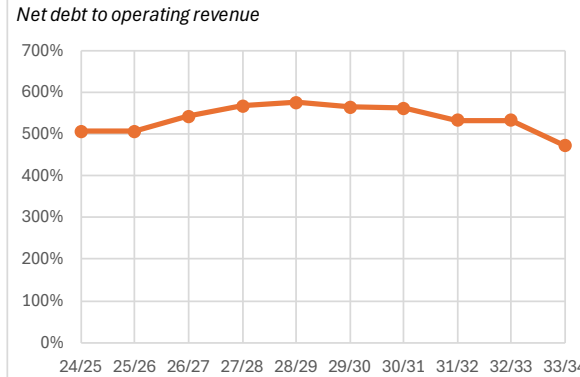
Item	Year 1	Year 10	10 Year Average
Total charge as % of median income	3.00%	5.50%	4.10%
Annual price increase	N/A	10.50%	11.80%
DC collected per new connection (\$)	N/A	N/A	52,578

Item	Year 1	Year 10	10 Year Average
Water related net debt to operating revenue %	507%	472%	536%
FFO to debt	3.1%	9.8%	6.5%
Whole of Council net debt to revenue (approx)	89%	131%	129%

**Assets, network and compliance**

Asset measures	Year 1	Year 10	10 Year Average
Total assets per connection (\$)	42,833	66,584	53,867
Total debt per connection (\$)	9,429	20,962	15,814
Operating costs per connection (\$)	988	1,102	959
Age of network (years)	DW	WW	SW
Average age outlined in plan	41	62	53

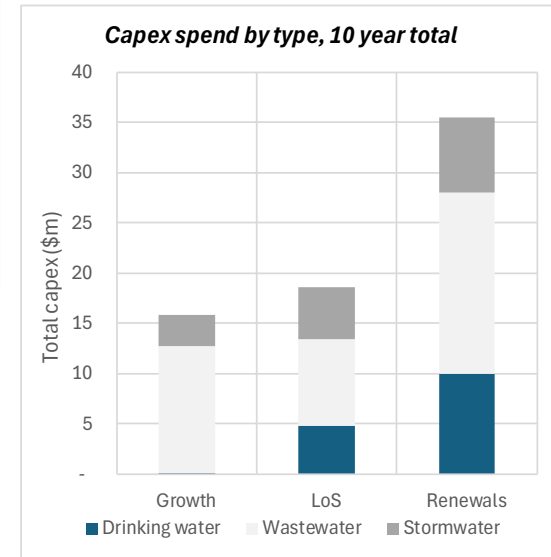
**Financing**



Network performance	Level
Level of service performance measures achieved	Partially Achieved
Water loss rate	1.2% - 31.5%
Average consumption (litres per person per day)	213 - 317

Compliance addressed in the Plan	
Drinking water compliance	Yes
Resource consent compliance	Yes

Capital expenditure	Category of capital expenditure			Total over 10 years
	Growth	Level of service	Renewals	
Drinking water	58	4,806	9,970	14,834
Wastewater	12,706	8,632	18,068	39,406
Stormwater	3,132	5,196	7,393	15,721
<b>Total 10 years</b>	<b>15,896</b>	<b>18,634</b>	<b>35,431</b>	<b>69,961</b>



# Assessment Report: Part A – Statement of financial sustainability, delivery model, implementation plan and assurance

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Delivery model and implementation</b>				
<b>Financially sustainable water services provision</b>	<p>ŌDC has confirmed that water services will be financially sustainable as an IBU ahead of 30 June 2028.</p>	<p>The Plan explains how the delivery of water services will be financially sustainable and that revenue is sufficient to cover the long-term investment that meets the LOS, regulatory requirements and provides for growth.</p>	Meets requirements	N/A
<b>The proposed model to deliver water services</b>	<p>ŌDC will deliver water services through an IBU while continuing to explore the viability and benefits of establishing a joint water services organisation with RLDC, WDC and KDC.</p> <p>Water services operations of the water services will be transferred to the IBU on 1 July 2026 with continued support from other Council staff. The IBU will operate as a fully independent business unit from 1 July 2028.</p>	<p>The proposed model for an IBU to deliver the water services is clear with a transition from the current arrangements from 1 July 2026. The organisation structure is unchanged with governance proposed via the council committee structure.</p>	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Implementing the proposed service delivery model</b>	<p>Key milestones to achieve full ring fencing and compliance with legislation stated in the Plan are:</p> <ul style="list-style-type: none"> <li>• July 2025 – June 2026 - Investigate requirements and undertake any changes necessary to completely ring-fence water services in financial systems, reporting systems, governance and structure;</li> <li>• 1 July 2026 – 31 December 2026 - Draft the Water Services Strategy;</li> <li>• Prepare any proposed changes to the Development Contributions Policy and Revenue and Financing Policy;</li> <li>• July 2026 – 30 June 2027 - Implement changes identified to complete ring fencing;</li> <li>• March – April 2027- Consult on a summary of the draft Water Services Strategy alongside consultation on the Long-Term Plan 2027–2037; and</li> <li>• Consult on any changes to the Development Contributions Policy and Revenue and Financing Policy in line with consultation on the Long-Term Plan 2027–2037.</li> </ul> <p>ŌDC will participate in the regional Waters Working Group report and the Council will decide on participating in the multi-Council WSCCO. Water services may then be delivered by a multi-Council WSCCO from July 2028 onwards. ŌDC’s fall-back option is a continued IBU.</p>	The implementation plan meets the requirements of section 13(2) of the Preliminary Arrangements Act. The plan outlines key milestones and dates with sufficient detail.	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Consultation and engagement undertaken</b>	<p>Public consultation was completed between 6 May 2025 and 3 June 2025. This consultation was supported by print, radio and social media advertising and face-to-face community meetings.</p> <p>ŌDC received 17 submissions, 71% of the community submissions supported the standalone business unit within Council model, 18% supported joining a new WSCCO model and 12% did not choose a preferred option.</p>	Consultation was in accordance with the Preliminary Arrangements Act.	Meets requirements	N/A
<b>Assurance and adoption of the plan</b>				
<b>Council resolution to adopt the Plan</b>	ŌDC adopted this plan on 20 August 2025.	N/A	Meets requirements	N/A
<b>Certification of the Chief Executive of ŌDC</b>	The Chief Executive certified the plan on 22 August 2025.	N/A	Meets requirements	N/A

# Assessment Report: Part B – Network Performance

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Investment required in water services</b>				
<b>Serviced population and serviced areas</b>	<p>ŌDC has three drinking water schemes, two wastewater schemes and one stormwater scheme.</p> <p>Population growth is projected to be about 8% over the 10-year period. The planned Hukutaia development will support up to 1,943 new houses, with an additional 1,000 houses being supported through infill solutions.</p> <p>Performance measures have generally been met with water consumption ranging from 213-317 L/p/d and water loss below the target &lt;15%. All ŌDC water supply schemes have water meters installed. Dry weather overflows were above target in 2023/24 but have improved in 2024/25 to meet target.</p>	<p>Detailed information provided on service areas, connections and growth. There are about 240 new connections expected over the next 10 years, growth investment is approximately \$66,000 per connection. LOS are met.</p>	<p>Meets requirements</p>	<p>N/A</p>

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Assessment of the current condition and lifespan of the water services network</b>	<p>The network assets average ages are:</p> <ul style="list-style-type: none"> <li>• Drinking water 41 years;</li> <li>• Wastewater 62 years; and</li> <li>• Stormwater 53 years.</li> </ul> <p>All above and below ground assets have condition ratings. 6-24% of above ground assets are in the poor/very poor condition range from 6-24%. 24% of water network, 41% of wastewater network and 30% of stormwater network are in poor or very poor condition. Pipes installed in the 1950s and 1960s are nearing the end of their useful lives. Renewals are focused on critical assets, to improve LOS/resilience and reduce infiltration and inflow.</p>	<p>The condition and performance information is suitable to plan maintenance, renewals and capital and operating planning in the long term.</p> <p>Critical assets are identified.</p> <p>The condition assessment programme is on-going.</p>	Meets requirements	N/A
<b>Asset management approach</b>	<p>Council delivers three waters services through a combination of internal resources and external services. Physical works are mainly covered through external contracts. Asset management systems are in place. An Asset Management Operations Framework was developed in 2025.</p>	<p>Detailed information provided on asset management process. Asset maturity was independently assessed in 2022 and improvement actions are underway.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Statement of regulatory compliance</b>	<p>No boil water notices are in place. Compliance with DWQAR has improved over the last two years with installation of continuous UVT monitoring at Ōpōtiki and UV installation at Ōhiwa. Ōhiwa is fully compliant.</p> <p>Ōpōtiki is fully compliant for bacterial rules with two days of non-compliance for protozoa in 2025.</p> <p>Te Kaha is only partial compliant due to source turbidity issues.</p> <p>Overall, distribution zones are compliant. No fluoridation is provided or required.</p> <p>There are three expired consents with active applications. There is one enforcement action relating to the WWTP discharge overflow pond use frequency. An action plan was developed which includes upgrades to improve treatment efficiency and land disposal performance, and capacity for future growth. Other consents are compliant. There will be three consents that expire in the next 10 years with budgets provided for renewal. A consent has been lodged for the wastewater discharge from the Ōpōtiki WWTP.</p>	<p>Water supply is partially compliant. The Plan provides for reporting improvements and investment to address turbidity issues at Te Kaha via an alternative source/storage to become fully compliant. Te Kaha firefighting sufficiency will also be addressed.</p> <p>Appropriate investment has been budgeted to achieve and maintain compliance with resource consents.</p>	Meets requirements	N/A
<b>Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements</b>	<p>Growth capex has been provided for the Hukutaia growth area. Upgrades for the WWTP are scheduled. Increased renewals compared to historical levels with critical assets and LOS issues targeted. There is significant spare capacity in the WWTPs and network. The renewals focus is on Hukutaia AC water mains replacement over the first five years and older wastewater pipes for the 10 years of the plan.</p>	<p>Appropriate investment has been provided for compliance, renewals, growth and LOS.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Historical delivery against planned investment</b>	<p>41% of planned investment has been delivered on average over the last seven years. Actual investment has typically been about \$2.2m per year. To improve capex delivery ŌDC is planning to:</p> <ul style="list-style-type: none"> <li>• Update the asset management framework: to improve the way assets are managed, and services are delivered.</li> <li>• Deliver against a programme delivery improvement plan.</li> <li>• Communicate programme clarity and market commitment by establishing a clear, forward-looking programme of work with strong assurance that it will be brought to market in a timely and consistent manner.</li> <li>• Ensure clear and accessible procurement with procurement processes that are fit for purpose, well-communicated, and easy for contractors to engage with.</li> <li>• Build positive relationships by working well with our contractors by being clear, fair, and easy to deal with.</li> </ul>	<p>There is a significant uplift in the capex programme (over 200% compared to historical actuals). Investment phased to provide a similar level of capex each year. Actions to manage the delivery risk have been identified.</p>	<p>Meets requirements</p>	<p>Yes</p>

# Assessment Report: Part C – Revenue and financing arrangements

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Revenue and charging arrangements</b>				
<b>Charging and billing arrangements</b>	<p>Current charging mechanisms are described in detail. This will continue until 30 June 2028. Charging details are not provided for after this date.</p> <p>The implementation plan describes the steps that ŌDC will take to comply with the ring-fencing requirements. ŌDC will investigate storing revenues for each water in separate bank accounts.</p>	<p>Current charging and billing arrangements are outlined in the Plan.</p> <p>We recommend monitoring charging and billing arrangements during implementation to ensure compliance with ring fencing requirements.</p>	Meets requirements	Yes
<b>Water services revenue requirements and sources</b>	<p>Operating revenue (excluding development contributions) is broken down by source, but not by activity.</p> <p>Revenues of \$11m from development contributions are provided in the Plan and LTP.</p>	The Plan provides an outline of water services revenue requirements and sources.	Meets requirements	N/A
<b>Existing and projected commercial and industrial users' charges</b>	<p>There is no distinction between residential and commercial volumetric charging. All properties connected to our water supplies are charged a rate per cubic metre for average daily use. When daily usage exceeds 2m<sup>3</sup>, a tiered volumetric pricing structure with corresponding rates is applied.</p> <p>There is a separate charge for bulk water take from hydrants.</p>	Existing and projected commercial and industrial users' charges are provided in the Plan.	Meets requirements	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<p><b>The affordability of projected water services charges for communities</b></p>	<p>Water charges as a percentage of average household income grow over the ten-year period from 3% to 5.5%.</p> <p>The plan notes that affordability of services will be a central consideration in all future planning and investment decisions. It will be a key consideration for Council regarding whether it decides to form a multi-council water services organisation in partnership with Rotorua, Whakatāne and Kawerau district councils.</p>	<p>Affordability of projected water services charges in the Plan is between 3% and 5.5% which is significantly higher than the Departments guidance of 2.5% of medium household income. We note that under a future joint arrangement with other councils' affordability would improve.</p> <p>We recommend the price pathway is monitored during implementation to ensure charges are affordable for the community.</p>	<p>Meets requirements</p>	<p>Yes</p>

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Funding and financing arrangements</b>				
<b>Water services financing requirements and sources</b>	<p>There is a forecasted requirement of \$70.0m in capex to meet water services obligations, of which \$32.9m is projected to be required through borrowing, with the rest being sourced from rates revenue and development contributions. Wastewater requires the largest investment over the 10-year period.</p> <p>There is no separate borrowing limit for water services as these are combined within other activities and managed on a total council level, however a 500% net debt to revenue has been targeted in the long-term. Projected borrowings are within thresholds, with the whole of Council debt reaching the internal policy limit of 150% of revenue in 2031/32 before subsiding.</p> <p>Generally, debt financing will be used for long-lived capex and water revenues will fund operating expenditure. The net debt to total revenue ratio is the primary measure used to manage debt over time. ŌDC will treat its debt portfolio as a flexible facility to support ongoing investment and utilise excess operational cashflows to manage debt within overall LGFA covenant limits.</p>	Water services financing requirements and sources are provided at a high level in the Plan.	Meets requirements	N/A
<b>Internal borrowing arrangements</b>	<p>Internal borrowing is actively managed in the financial system and will be separately tracked against water activities. Interest on internal debt balances will be attributed to water services on an arm's-length basis based on ŌDC's cost of borrowing. The intention is that Council will be able to meet ring-fencing and separate reporting requirements by 1 July 2026.</p> <p>Any internal borrowing will be on an unsecured basis.</p>	Internal borrowing arrangements are sufficiently outlined in the Plan.	Meets requirements	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Determination of debt attributed to water services</b>	<p>ŌDC currently borrows from LGFA directly and allocates the borrowing to respective activities. Debt attributable to water services is tracked through internal borrowings. The ledger has loans tracked by year of drawdown and cost centre.</p> <p>Debt attributed to three waters totals \$19.1m consisting of:</p> <ul style="list-style-type: none"> <li>• Water supply: \$5.9m</li> <li>• Wastewater: \$8.7m</li> <li>• Stormwater: \$4.6m</li> </ul> <p>Three water net debt to operating revenue: 562%</p>	The Plan provides sufficient details on the determination of debt attributed to water services.	Meets requirements	N/A
<b>Insurance arrangements</b>	<p>ŌDC confirms that it has necessary insurance policies expected of an asset owning WSCCO. ŌDC is part of the Bay of Plenty Shared Services and the appointed broker is AON. The main policies impacting on water services are material damage (above ground assets), Infrastructure (below ground assets) and Professional Indemnity. Cover is based on full replacement cover for above and below ground assets. The cover for infrastructure (below ground) assets takes into consideration the financial assistance available from the Government in the event of a disaster that meets the appropriate threshold.</p>	Sufficient insurance arrangements are outlined in the Plan.	Meets requirements	N/A

# Assessment Report: Part D – Financial sustainability assessment

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Financially sustainable water services provision</b>				
<b>Confirmation of financially sustainable delivery of water services by 30 June 2028</b>	ŌDC confirms that it will be financially sustainable as an IBU ahead of the required date of 30 June 2028.	The Plan explains how the delivery of water services will be financially sustainable and that revenue is sufficient to cover the long-term investment that meets the LOS, regulatory requirements, and provides for growth.	Meets requirements	N/A
<b>Actions required to achieve financially sustainable delivery of water services</b>	The Plan states that no further actions are required to achieve financial sustainability of water services by 30 June 2028 beyond the steps already provided in the implementation plan.	The actions required to achieve financially sustainable delivery of water services are outlined in the implementation plan.	Meets requirements	N/A
<b>Risks and constraints to achieving financially sustainable delivery of water services</b>	Risks listed include cost escalation, inflation and interest rate volatility, revenue constraints and affordability pressure, regulatory or compliance shocks, supply chain and delivery constraints, incomplete or evolving asset data, issues within other councils.	Risks and constraints to achieving financially sustainable delivery of water services are outlined in the Plan, however we note that natural disasters is not listed.	Meets requirements	N/A
<b>Assessment of revenue sufficiency</b>				
<b>Projected water services revenues cover the projected costs of delivering water services</b>	The projected revenue is expected to be greater than the projected expenditure from 2027/28 onwards. There is a deficit prior to that.	Projected revenues will cover costs of water services from 2027/28 onwards.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Average projected charges for water services over 2024/25 to 2033/34</b>	<p>Average projected charge per connection for water services rise from \$2,175 to \$5,485 in year 10.</p> <p>The average increase is 11.8% over the 10 years. Apart from year 1 and 2 (20.5% and 6.1% respectively) price increases are relatively steady throughout the planning period.</p>	<p>The average projected charges for water services rise from \$2,175 to \$5,485, an increase of 152% over 10 years. We note that the projection is not split between residential and commercial charges.</p> <p>We also note that under a future joint arrangement with other councils' charges would be likely to improve and be more affordable for consumers.</p> <p>We recommend the price pathway is monitored during implementation.</p>	Meets requirements	Yes
<b>Projected operating surpluses/(deficits) for water services</b>	<p>An operating deficit is projected for the first three years of the plan. Subsequently the operating surplus ratio is positive and increasing. This is due to a significant increase in operating revenue collected over the duration of the plan.</p> <p>ODC currently aims to fully fund depreciation on water services assets through operating revenues.</p>	The Plan shows projected operating surpluses from 2027/28 for water services due to funding depreciation.	Meets requirements	N/A
<b>Projected operating cash surpluses for water services</b>	There are sufficient operating cash surpluses and the operating cash ratio almost consistently goes up every year, starting at 28.9% and ends at 66.7%.	The Plan has projected operating cash surpluses for water services every year.	Meets requirements	N/A
<b>Assessment of investment sufficiency</b>				
<b>Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth</b>	Total of \$69m capex over the 10 years of the Plan.	The Plan demonstrates this investment is sufficient to meet the requirements for growth, LOS and compliance.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Renewals requirements for water services</b>	Asset sustainability ratio is positive for the 10 years with a peak between 2027/28 and 2029/30.	Renewals are sufficient to meet requirements.	Meets requirements	N/A
<b>Total water services investment required over 10 years</b>	Asset investment ratio increases between 2024/25 and 2028/29 and is consistently positive over the period. Investment increases include projects to service growth.	Investment is consistent with AMPs and Infrastructure Strategy.	Meets requirements	N/A
<b>Average remaining useful life of network assets</b>	The asset consumption ratio increases slightly throughout the planning period from 67.9% to 69.3%.	Remaining asset life remains stable due to investment in renewals.	Meets requirements	N/A
<b>Assessment of financing sufficiency</b>				
<b>Confirmation that sufficient funding and financing can be secured to deliver water services</b>	ŌDC confirms funding and financing sufficiency.	The Plan confirms sufficient funding and financing can be secured to deliver water services.	Meets requirements	N/A
<b>Projected council borrowings against borrowing limits</b>	Whole of Council borrowing is projected to remain within internal policy borrowing limits (noting that LGFA limits are higher). From 2031/32 borrowing decreases.	The projected council borrowings are within the internal limit of 150% and LGFA's limit of 175% net debt to revenue.	Meets requirements	N/A
<b>Projected water services borrowings against borrowing limits</b>	ŌDC have not formally adopted an internal debt limit for water services on a net debt to operating revenue basis. ŌDC have used net water debt of 500% of water operating revenue as an indicative target. ŌDC achieves this target in year 10 of the Plan, where net water debt is projected to be 472% of water operating revenue.	<p>Projected water services borrowings peak in 2028/29 at 576% net debt to revenue and breach the in-house water debt limit of 500% in all years, except for 2033/34.</p> <p>We also note that in the first year and the last year of the plan net debt attributed to water services is greater than the whole of Council net debt.</p> <p>We recommend monitoring water services borrowing levels against limits during implementation.</p>	Meets requirements	Yes

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<b>Projected borrowings for water services</b>	<p>Net debt attributed to water services goes up for the first five years and then goes down.</p> <p>Net debt to operating revenue goes from 507% at the start to a peak of 576% and finishes at 472%.</p>	The projected borrowings for water services are approximately \$52m over the 10 years.	Meets requirements	N/A
<b>Borrowing headroom/(shortfall) for water services</b>	<p>There is a borrowing shortfall (based on an implied limit of 500%) for water services in all years except for the last one.</p> <p>ŌDC maintains debt headroom within the whole of Council debt limit across the ten years of the Plan. This is between \$8.7m and \$19m, and provides a buffer to manage delivery risks, timing variations, or cost escalation in the capital programme.</p>	<p>ŌDC has no borrowing headroom for water services until 2033/34 but has headroom at a whole of Council level and could on lend if required.</p> <p>We recommend monitoring water services borrowing headroom during implementation.</p>	Meets requirements	Yes
<b>Free funds from operations</b>	Climbs from a low of 3.1% in year one to a high of 9.8% in year ten. The increase is steady apart from an anomaly in year two where the FFO jumps as high as 7.4% and then falls back down to 5.3% the following year.	ŌDC is proposing an IBU as its delivery model for water services and not required to report on this metric.	N/A	N/A
<b>Assessment of financing sufficiency</b>	ŌDC confirms financing sufficiency.	The Plan confirms sufficient funding and financing can be secured to deliver water services.	Meets requirements	N/A

# Assessment Report: Part E – Projected financial statements for water services

Section in Part E	Summary of content in Plan	Assessment Review Comment	Focus for panel
<b>Projected funding impact statement</b>	Funding Impact Statement is shown for individual waters, and three waters combined.	Meets requirements.	N/A
<b>Projected statement of comprehensive revenue and expense</b>	The projected statement of comprehensive revenue and expenses is shown for individual waters, and three waters combined.	Meets requirements.	N/A
<b>Projected statement of cashflows</b>	Cashflow shown for individual waters, and three waters combined.	Meets requirements.	N/A
<b>Projected statement of financial position</b>	Balance sheet shown for individual waters, and three waters combined.	Meets requirements.	N/A

# Assessment Report: Part E – Financial projections and measures

## Projected statement of comprehensive revenue and expense

Water Services Delivery Plan pages 107 - 110

## Projected statement of financial position

Water Services Delivery Plan pages 113 - 116

## Financial measures: revenue sufficiency

Water Services Delivery Plan pages 89 -93

## Financial measures: investment sufficiency

Water Services Delivery Plan pages 94 - 97

## Financial measures: financing sufficiency

Water Services Delivery Plan pages 98 - 102

# Assessment Report: Water Service Delivery Plan – Additional information

Additional information	Summary of content in Plan	Assessment Review Comment	Focus for Panel
<b>Additional disclosures to support Plan</b>	A report from external consultants.	N/A	N/A
<b>Significant capital projects</b>	<p>The table shows all capital projects that generate cost in the ten-year period of the Plan. All values are shown in nominal dollars.</p> <p>Where a project relates to more than one category (of the three categories: growth, level of service, and renewals) it has been apportioned across the categories to ensure consistency with the financial template.</p>	Meets requirements.	N/A
<b>Key issues, constraints, risks and assumptions</b>	Key risks and assumptions that are not captured elsewhere in this Plan are disclosed, including the risk of affordability of proposed charges. ODC include community education and progressing work towards a joint water entity as mitigations to this.	Meets requirements.	N/A