

Water Services Delivery Plan Assessment.

Assessment Report – South Taranaki District Council

Date completed: 25 August 2025

Te Kāwanatanga o Aotearoa
New Zealand Government



Internal Affairs
Te Tari Taiwhenua

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Assessment Cover Sheet

Background on council and engagement with the Department

Detail	Commentary
Council involved in plan	South Taranaki District Council (STDC)
DIA comment on council engagement during Plan development process	<p>STDC has been consistently proactive in their engagement with the Department of Internal Affairs (the Department) throughout the development of their Water Services Delivery Plan (Plan). Since November 2024, STDC has continued discussions on a potential joint Council Controlled Organisation (CCO) with Stratford District Council (SDC) and New Plymouth District Council (NPDC), as well as looking at delivering water independently.</p> <p>In November 2024, the Department assisted the Taranaki council grouping with the section of the water services delivery plan template relating to their asset management information. The Taranaki regional grouping was a financially viable model within the debt to revenue limits and funds from operations (FFO) to debt limits indicated by the Local Government Funding Agency (LGFA).</p> <p>In February 2025, STDC provided the Department with an updated regional financial model, on behalf of the grouping, for quality assurance review before the Taranaki council grouping finalised their consultation documents. The in-house financial modelling showed an in-house water services business unit (IBU) was financially sustainable for STDC.</p> <p>On 26 February 2025, STDC resolved to undertake public consultation on its proposed model for water service delivery. The preferred option was the joint Taranaki CCO in partnership with SDC and NPDC, with an alternative option being an IBU. A standalone CCO for STDC was deemed financially unsustainable.</p> <p>STDC consulted their community from 30 April 2025 to 30 May 2025, which indicated 92.27% support for the IBU model.</p> <p>On 21 July 2025, STDC confirmed their decision to progress an IBU, thereby exiting the Taranaki council grouping as their preferred model for future water services delivery. Following this decision, STDC notified the Department of their intention to submit their Plan, no later than Thursday 31 July.</p> <p>The final plan was submitted on 30 July 2025.</p>

Feedback provided to council prior to submission on Draft Plan	STDC submitted an initial draft plan in March 2025 for informal review and feedback however a final version of the draft plan was not submitted to the Department for review prior to submitting their final plan
Engagement with council during review and assessment process	<p>A separate copy of Part F: Appendices was requested for the Department’s records, as the original PDF attachments were inaccessible. STDC provided this on 4 August.</p> <p>Following the plans review panel meeting on 13 August, further clarification was sought from STDC to confirm that the minimal budget for stormwater levels of service in the plan is appropriate, and for projects associated with compliance, that there are adequate resources and budget (including contingencies) provided in the plan to cover unforeseen increases in market conditions.</p> <p>On 15 August, STDC provided the following information, confirming that:</p> <ul style="list-style-type: none"> • The allocated budget for stormwater levels of services is both sufficient and appropriate. Additionally, following asset revaluation conducted in 2022, the replacement cost of STDC’s stormwater assets represents 11% (\$79 million) of the total replacement cost across all three water asset categories combined. • Sufficient resources and budget allocations, including contingency provisions, are in place to support compliance related projects across the three waters. In STDC’s assessment, the financial strategy is sound, underpinned by long-term planning, adaptable funding mechanisms, and governance frameworks that provide resilience against market volatility and other uncertainties. Additionally, STDC has consistently demonstrated a strong commitment to investing in three waters infrastructure. As outlined in the plan, the available debt headroom further reinforces STDC’s confidence in their ability to manage unforeseen costs and contingencies effectively.
Other Background Comments	N/A

Assessment Summary

Section	Commentary
Confirmation of legislative completeness checklist	Yes – all required components completed.
General Comment on Plan	<p>The Plan demonstrates how water services can be delivered through an IBU. The Department’s assessment identified no issues regarding the financial position of STDC. Sufficient funding and financing can be secured to deliver water services with a high level of headroom. The transition to an IBU is expected to be completed by June 2027, with a sufficient timeframe for implementation.</p> <p>The Plan is assessed as meeting the legislative requirements set out in section 13 of the Local Government (Water Services Preliminary Arrangements) Act 2024 (Preliminary Arrangements Act).</p> <p>The following matters were identified, which do not prevent the Plan from meeting the legislative requirements, but should be monitored during implementation:</p> <ul style="list-style-type: none"> • Ongoing delivery of capital investment programme to ensure compliance with drinking water standards, including renewal of resourced consents. • No level of service investment for stormwater is planned from 2027/28 onwards. We consider it likely level of service investment for improving stormwater quality will be required from 2028 onwards, particularly if stormwater is regulated in future. We note STDC has headroom to fund further work in future if required. • Renewals requirements for water services are outlined in the Plan and modelling is shown for 30 years, aligning with STDC’s Infrastructure Strategy. Planned renewals are slightly lower than funded depreciation commencing from 2028/29. • Renewal of expired consents or those expiring in the next five years, as 16 out of 27 consents are due to expire in this timeframe. <p>The Plan notes that, while committed to establishing an IBU, STDC will continue to explore collaborative opportunities with NPDC and SDC, ensuring that any future collaboration enhances service quality and efficiency while preserving local control and responsiveness.</p>
Financial Sustainability Comment	The water services IBU will be financially sustainable by 30 June 2028. The Plan noted the actions required to achieve this are to maintain the projected price path, and capital projects set out in the Plan.

Section	Commentary
<i>Revenue Sufficiency</i>	The Plan clearly states that the projected water services revenues cover the projected costs of delivering water services. We note projected operating surpluses for water services could be achieved earlier than 2030/31 stated in the Plan.
<i>Investment Sufficiency</i>	Projected water services investment of \$237.9 million over 10 years is sufficient to meet levels of service, regulatory requirements and provides for 0.2% population growth. Renewals requirements for water services are outlined in the Plan and modelling has been shown for 30 years and aligns with the Infrastructure Strategy. We noted planned renewals are slightly lower than funded depreciation from 2028/29.
<i>Financing Sufficiency</i>	Sufficient funding and financing can be secured to deliver water services. Projected borrowings are clearly outlined in the Plan; council borrowings and the IBU are within internal borrowing limits. Borrowing headroom is sufficient, particularly as STDC has a Long-Term Investment Fund.
<i>Overall assessment recommendation</i>	The overall recommendation from the assessment phase is to accept the water services delivery plan from South Taranaki District Council.

Issues for discussion with Panel

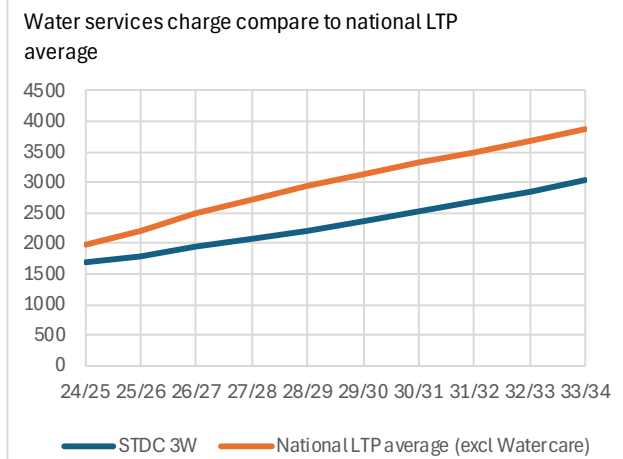
Issue	Description	Recommended treatment
Future stormwater investment requirements	The Plan shows no level of service investment for stormwater from 2027/28 onwards. We consider it is likely that level of service investment for improving stormwater quality will be required from 2027/28 onwards, particularly if stormwater is regulated. We note STDC has headroom to fund further work in future if required.	It is recommended that the Plan is accepted, but that if additional stormwater regulation is introduced, investment in stormwater is monitored through the implementation process.
Full funding of depreciation	Renewals requirements for water services are outlined in the Plan and modelling is shown for 30 years, aligning with STDC's Infrastructure Strategy. Planned renewals are slightly lower than funded depreciation commencing from 2028/29.	It is recommended that the Plan is accepted, but the funding of depreciation is monitored through the implementation process.

Council summary information

Summary information	Level
Current population	29,600
Drinking water connector	10,521
Waste water connections	7,837
Stormwater connections	Not stated
High growth council	No
10 year population growth	0.2%



Affordability and growth



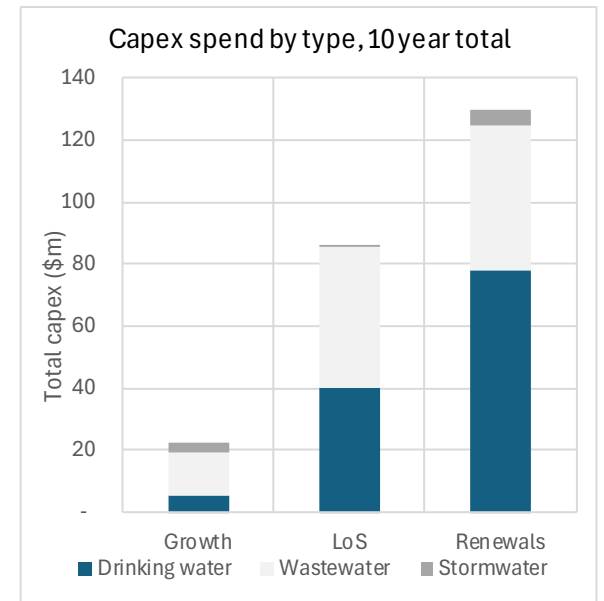
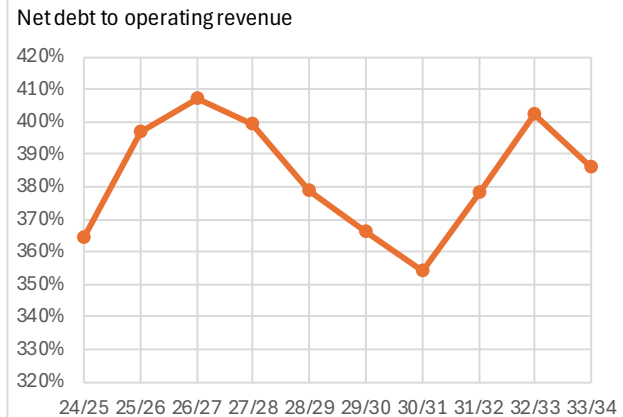
Item	Year 1	Year 10	10 year Average
Total charge as % of median income	2.10%	2.90%	2.50%
Annual price increase	N/A	6.60%	6.69%
DC collected per new connection (\$)	N/A	N/A	11,516

Item	Year 1	Year 10	10YA
Water related net debt to operating revenue %	364%	386%	383%
FFO to debt	5.40%	9.60%	8.45%
Whole of Council net debt to revenue	11%	23%	35%

Assets, network and compliance

Asset measures	Year 1	Year 10	10 year Average
Total assets per connection (\$)	41,760	53,709	47,686
Total debt per connection (\$)	8,974	16,788	12,519
Operating costs per connection (\$)	781	1,065	878
Age of network (years)	DW	WW	SW
Average age outlined in plan	33	55	43

Financing



Network performance	Level
Level of service performance measures achieved	Majority
Water loss rate	16%
Average consumption (L per person per day)	370

Compliance addressed in WSDP	
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	5,635	40,413	78,084	124,132
Wastewater	13,455	45,442	46,582	105,479
Stormwater	3,054	561	4,752	8,367
Total 10 years	22,144	86,416	129,418	237,978

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
Delivery model and implementation				
Financially sustainable water services provision	Includes a statement that provision of water services is financially sustainable, noting that STDC has significant debt headroom available to fund further capital projects.	Reviewed and confirmed that proposals in the Plan are financially sustainable.	Meets requirements	N/A
The proposed model to deliver water services	<p>The proposal is for a three waters IBU.</p> <p>The IBU will operate as part of STDC and will be ring-fenced from other council activities to comply with regulatory requirements. A Council appointed committee for three waters governance will be appointed, made up of independent, iwi and elected members.</p> <p>Revenue will be collected through standardised rates and volumetric charging for high-use and rural consumers. Current plans are to transition urban water supply to volumetric charging in 2033, but this may be accelerated to 1 July 2027.</p> <p>All STDC units interacting with the IBU will have service level agreements (SLA), to ensure ring-fencing of those costs.</p> <p>The IBU will prepare a Water Services Strategy. Borrowing will be directly through STDC, with the IBU meeting its share of financing costs. Additional debt limits of 600% of revenue for water services will be introduced.</p>	<p>The proposed model for delivery of water services is clear, with a 2027 transition from the current arrangements to the IBU. The future IBU will operate as part of the council. Finances will be ring-fenced and support will be provided by SLA's between units of the councils and the new IBU.</p> <p>All water services will be covered by the new IBU.</p>	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>The Plan notes that, while committed to establishing an IBU, STDC will continue to explore collaborative opportunities with NPDC and SDC, ensuring that any future collaboration enhances service quality and efficiency while preserving local control and responsiveness.</p>			
<p>Implementing the proposed service delivery model</p>	<p>STDC has provided an implementation plan, with establishment milestones, which sees the IBU being fully operational by 30 June 2027.</p> <p>Key milestones are:</p> <p>By 31 December 2025:</p> <ul style="list-style-type: none"> • Adopt a policy and governance framework to establish a Council Water Services Committee (or similar). <p>By 30 June 2026:</p> <ul style="list-style-type: none"> • Appoint members to the new governing body (membership to be agreed and may include elected members, iwi representatives, and independent/professional members). <p>By 31 December 2026:</p> <ul style="list-style-type: none"> • Establish SLA (identify, negotiate terms and agree key performance indicators for service level agreements with STDC’s key internal service providers). • Develop a communications strategy (internal and external) for the transition to an IBU. <p>By 30 June 2027:</p> <ul style="list-style-type: none"> • Develop and adopt the strategic plan and performance objectives. • Implement improvements to meet financial ring-fencing requirements. • Implement the new structure. 	<p>The implementation plan meets the requirements set out in section 13(2) of the Preliminary Arrangements Act.</p> <p>The implementation plan includes all the appropriate activities to establish the IBU e.g. governance, delegations, staff, development of SLA, business planning, standalone financial statements, and water services strategy.</p> <p>The timeframe for the establishment of the IBU is linked to the development of the water services strategy (which must be prepared by mid-2027 at the latest).</p>	<p>Meets requirements</p>	<p>N/A</p>

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<ul style="list-style-type: none"> Confirm and formalise arrangements for ongoing shared services with other councils. Develop new agreements where appropriate. <p>By 1 July 2027:</p> <ul style="list-style-type: none"> Adoption in the 2027 long-term plan (LTP) of changes to user charges for water services as outlined in the Endorsed Water Services Delivery Plan. 			
Consultation and engagement undertaken	<p>Consultation on the Plan took place between 30 April 2025 and 30 May 2025. STDC's proposed option was a joint CCO with NPDC and SDC, with the IBU included as an alternative option.</p> <p>STDC received 726 submissions. 92.27% (668) supported the proposal for an IBU.</p>	<p>Consultation meets the requirements of Part 3 of the Preliminary Arrangements Act.</p> <p>The number of submissions represents approximately 2.5% of the population in the district.</p>	Meets requirements	N/A
Assurance and adoption of the Plan				
Council resolution to adopt the Plan	Water services delivery plan was adopted 21 July 2025.	N/A	Meets requirements	N/A
Certification of the Chief Executive of South Taranaki District Council	Water services delivery plan was certified 30 July 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
Investment required in water services				
Serviced population and serviced areas	<p>The Plan provides:</p> <ul style="list-style-type: none"> • detailed information on serviced and un-serviced populations; • a 10-year serviced population forecast linked to current LTP; and • a description of agricultural and industrial demand, including that peak industrial seasonal demand is shifting to coincide with urban peak seasonal demand. <p>DIA performance measures results are provided with explanation where targets are not met.</p>	<p>The Plan notes that a large proportion of water is for agricultural and industrial supply, and peak industrial seasonal demand is shifting to coincide with urban peak seasonal demand.</p> <p>We note the Plan does not provide information about the type of water service (including definitions of urban and rural supply in terms of on-demand or restricted supply) or how the change in peak agricultural / industrial demand to coincide with urban demand will be managed/addressed in future.</p> <p>These observations do not impact our ability to accept the Plan.</p>	Meets requirements	N/A
Assessment of the current condition and lifespan of the water services network	<p>The Plan provides condition and criticality information for the network. The overall condition of water treatment plants reflects recent investment in upgrading treatment plants. Most reservoirs are identified as being in good to excellent condition.</p> <p>The average age of water reticulation is lower than the national average. Wastewater treatment plants also have a low average age.</p> <p>The wastewater network is ageing with 80% of medium criticality pipes assessed to be in poor condition. Half of medium criticality wastewater pump stations are in poor or very poor condition. The stormwater network is mainly assessed good or excellent condition.</p> <p>The Plan mentions regional stormwater assets.</p>	<p>We note the Plan indicates wastewater investment is required but does not provide detail on shared assets or services (particularly in regard to the significant agricultural / industrial influence in the district) and potential impacts of these on future capital and operational investment.</p> <p>The Plan does not provide an explanation of source information (desktop vs actual condition) assessment for condition and criticality information.</p> <p>These observations do not limit our ability to accept the Plan.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Asset management approach	The Plan describes how STDC aligns with IIMM and ISO55000 series and has an asset management policy.	The Plan does not include an asset management maturity assessment, status or target information. No specific information is provided on how asset management practice informs capital, maintenance and operational programmes and the key focus areas of the asset management improvement plan. These observations do not limit our ability to accept the Plan.	Meets requirements	N/A
Statement of regulatory compliance – Drinking water	<p>Water take consents for nine out of 10 water treatment plants have expired or will expire in the next five years. The Plan notes the following:</p> <ul style="list-style-type: none"> • some non-compliance with NZ Drinking Water Standards for bacterial compliance (two out of 10 water treatment plants) and protozoa compliance (one out of 10 water treatment plants); • some discharge rate non-compliance, which is partially explained in the Plan; • two boil water notices in last three years; and • water supply is fluoridated. 	<p>We note that water security appears to be a risk with many water take consents due for renewal. We recommend monitoring renewal of consents during plan implementation.</p> <p>While there is no discussion on water safety plan status or improvement actions, there are water safety plan actions included in the proposed capital investment plan.</p> <p>These observations do not limit our ability to accept the Plan.</p>	Meets requirements	N/A
Statement of regulatory compliance – resource consents	<p>Wastewater discharge consent – six of eight discharge consents have expired or are due to expire in next five years.</p> <p>Stormwater discharge permits – one of nine permits will expire in the next five years. Statement that no regional compliance report received.</p>	<p>We note that wastewater investment reflects the level of service and renewal investments likely required for consent renewal of six of eight wastewater treatment plants.</p> <p>Four stormwater consents will expire in the next ten years. While there is no specific proposed stormwater investment to renew and comply with these consents, sufficient borrowing headroom is available to fund any required investment should it be required.</p> <p>We recommend monitoring of consent renewal during plan implementation.</p> <p>These observations do not limit our ability to accept the Plan.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
<p>Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements</p>	<p>Water supply capital expenditure shows improvements from water safety plan (including Patea water treatment plant which had E.coli notification in the Taumata Arowai 2024 drinking water performance review), and it also shows improvements to firefighting capacity for Normanby.</p> <p>Universal metering is included in the Plan after water take consents are renewed.</p> <p>Wastewater - capital investment planned for upgrade of treatment plants which coincides with consent renewal.</p> <p>Stormwater - no level of service investment from 2027/28 onwards.</p>	<p>We note potential capital investments needed from water take consent renewals and Inaha water treatment plant improvements are not specifically shown.</p> <p>Universal water metering is programmed for after water take consent renewals and could be required sooner than this to demonstrate real water loss efficiencies.</p> <p>Following a request from the Panel, STDC confirmed that the planned stormwater investment was sufficient. Stormwater may require levels of services investment and stormwater quality from 2027/28 onwards. We recommend monitoring of funding for improving stormwater quality during plan implementation.</p> <p>These observations do not limit our ability to accept the Plan.</p>	<p>Meets requirements</p>	<p>Yes (stormwater)</p>
<p>Historical delivery against planned investment</p>	<p>To date STDC have delivered 90% of planned works due to internal resource constraints and contractor availability.</p> <p>Proposed future annual capital investment is significantly higher than actual investment delivery in the last five years.</p>	<p>The Plan notes that STDC intends to continue addressing delivery issues through potentially expanding in-house services. STDC will need to secure resources to successfully deliver the proposed capital investment plan which is significantly higher than they have delivered to date.</p>	<p>Meets requirements</p>	<p>N/A</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
Revenue and charging arrangements				
Charging and billing arrangements	Current charging and billing arrangements are stated. Water and wastewater are a mix of fixed and volumetric charges. Stormwater is charged as part of the uniform annual general charge and general rates. This charging mechanism is proposed to stay the same for stormwater.	Sufficient current charging arrangements are outlined in the Plan.	Meets requirements	N/A
Water services revenue requirements and sources	Revenue requirements stated are sufficient. The Plan notes that urban water supplies may move to volumetric charging from 1 July 2027. Potential sources of additional revenue are stated on page 41 of the Plan.	Water services revenue requirements and sources are detailed appropriately.	Meets requirements	N/A
Existing and projected commercial and industrial users' charges	For wastewater, large industries currently pay as per the trade waste agreements for trade waste discharge. Charging will continue on the same basis as current charges for these customers.	Existing and projected commercial and industrial users' charges have been documented in the Plan. We note the significant reliance of income from high industrial usage.	Meets requirements	N/A
The affordability of projected water services charges for communities	Affordability is shown on a graph in this section, and on page 48 affordability is stated as 2.1% of median household income in 2024/25 rising to 2.9% in 2033/34.	Affordability in the Plan is shown for three waters. Stormwater contributes the least to water charges (\$149 of \$3,045 in 2033/34) therefore affordability will still be close to 2.9% of two waters in 2033/34.	Meets requirements	N/A
Funding and financing arrangements				
Water services financing requirements and sources	STDC intends to borrow to ensure repayment profiles match the life of the assets. Borrowing will be through LGFA at a total council level.	Water services financing requirements and sources are detailed sufficiently.	Meets requirements	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Internal borrowing arrangements	Internal borrowings are separately recorded for the respective STDC activity, including water related activities. These borrowings are determined based on the loan requirements for each activity and align with the capital expenditure allocated to them.	The internal borrowing arrangements are sufficient.	Meets requirements	N/A
Determination of internal debt attributed to water services	Internal Debt stated for each water service at 30 June 2024: <ul style="list-style-type: none"> • water services \$5.3 million; • wastewater \$4.0 million; and • stormwater \$0.7 million. 	Determination of internal debt attributed to water services is appropriate.	Meets requirements	N/A
Insurance arrangements	Insurance arrangements stated for the whole of council, above ground assets, and below ground assets. Insurance is placed through Aon for above ground assets, and through the Local Authority Protection Programme for below ground assets.	Insurance arrangements are sufficiently outlined.	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
Financially sustainable water services provision				
Confirmation of financially sustainable delivery of water services by 30 June 2028	STDC confirmed that water services will be financially sustainable by 30 June 2028.	There are sufficient details in the Plan to support this.	Meets requirements	N/A
Actions required to achieve financially sustainable delivery of water services	Actions required are to maintain the projected price path, and capital projects set out in the Plan and deliver through an IBU.	Proposed actions required to achieve financially sustainable delivery of water services are clear.	Meets requirements	N/A
Risks and constraints to achieving financially sustainable delivery of water services	Risk and mitigations listed include exceeding limits, changes in capex programme, inflation, legislation and regulation, natural disaster, limited revenue, rising costs, political expectations, debt and financial risks.	Risks and constraints to achieving financially sustainable delivery of water services are sufficient.	Meets requirements	N/A
Assessment of revenue sufficiency				
Projected water services revenues cover the projected costs of delivering water services	Water services are in surplus from year 8 onwards. Water services are cash positive from 2024/25 onwards as demonstrated in the Plan.	Projected water services revenues cover the projected costs of delivering water services.	Meets requirements	N/A
Average projected charges for water services over 2024/25 to 2033/34	Projected average water charges per connection are \$1,702 in 2024/25 for three waters, rising to \$3,045 over 10 years. Wastewater average charge per connection has the largest increase rising from \$867 in 2024/25 to \$2,001 in 2033/34. Forecast water volumetric rates for urban and rural customers have also been listed.	Details on the average projected charges for water services from 2024/25 to 2033/34 are provided.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Projected operating surpluses/(deficits) for water services	Water services are in deficit until 2029/30 as depreciation is not fully funded. From 2030/31 onwards water services have a projected operating surplus.	Projected operating deficits are due to funding depreciation. However, STDC's statement of comprehensive revenue and expenses for three waters shows they achieve a surplus earlier in than stated in the Plan in this section once development contributions are accounted for.	Meets requirements	N/A
Projected operating cash surpluses for water services	Water services return a cash surplus throughout the whole plan with a cash surplus ratio of 39% in 2024/25 rising to 57% in 2033/34.	Projected operating cash surpluses for water services are sufficient.	Meets requirements	N/A
Assessment of investment sufficiency				
Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth	Revenue and financing arrangements in the Plan are based on ensuring sustainable and affordable investment in STDC's water services. The programme of expenditure is largely based on the 2024-2034 LTP and Infrastructure Strategy. The programme is relatively consistent with a large spike in renewals during 2031/32 and 2032/33 due to significant investment into wastewater treatment plants.	Projected water services investment is sufficient to meet levels of service, regulatory requirements and provides for 0.2% population growth over the next 30 years.	Meets requirements	N/A
Renewals requirements for water services	Investment into renewals is higher than projected depreciation during the first four years, then becomes lower than projected depreciation from year 5. This is due to the asset data quality used to forecast expenditure which is not expected to be realistic. STDC has commenced a database improvements project.	Renewals requirements for water services are outlined in the Plan and modelling is shown for 30 years and aligns with the Infrastructure Strategy. We note planned renewals are slightly lower than funded depreciation from 2028/29. Recommend this is monitored during the implementation of the plan.	Meets requirements	Yes
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 proposed level of investment has been based on the current LTP, Infrastructure Strategy and asset management plans.	Total water services investment required over 10 years is \$237.9 million.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Average remaining useful life of network assets	The asset consumption ratio remains consistent over the next 10 years, decreasing slightly from 61% to 57%. This indicates that the proposed level of investment is sufficient to address aging assets.	The Plan clearly covers the average remaining useful life of network assets.	Meets requirements	N/A
Assessment of financing sufficiency				
Confirmation that sufficient funding and financing can be secured to deliver water services	Financing will be sourced at a whole of council level through the LGFA. The whole of council has an internal debt limit of 150% net debt to revenue while having a LGFA covenant limit of 280% net debt to revenue for the whole of council. Water services will have a proposed net debt to revenue limit of 600%.	There is sufficient detail at the water services level and the whole of council level to confirm that sufficient funding and financing can be secured to deliver water services.	Meets requirements	N/A
Projected council borrowings against borrowing limits	Whole of council borrowings are well within the STDC internal net debt to revenue. STDC debt peaks at 57% net debt to operating revenue in 2027/28.	Projected STDC borrowings are within borrowing limits.	Meets requirements	N/A
Projected water services borrowings against borrowing limits	Water services borrowing stays within the self-imposed net debt to operating revenue limit of 600%. Water services borrowing peaks at 407% in 2026/27 and stays stable between 350% and 410% throughout the Plan.	Projected water services borrowings are within self-imposed borrowing limits.	Meets requirements	N/A
Projected borrowings for water services	Projected borrowings are expected to rise from \$94m in 2024/25 to \$179m in 2033/34.	Projected borrowings for water services are clearly outlined in the Plan.	Meets requirements	N/A
Borrowing headroom/(shortfall) for water services	Borrowing headroom for water services is assessed against a whole of council debt limit of 280% instead of the self-imposed debt to revenue limit of 600%.	The Plan does not show the water services head room against the 600% self-imposed debt to revenue limit, however STDC has plenty of headroom.	Meets requirements	N/A
Free funds from operations	FFO is positive throughout the Plan rising from 5.4% in 2024/25 to 9.6%.	The FFO is not necessary for assessing financing sufficiency as water services are provided through an IBU.	N/A	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Assessment of financing sufficiency	STDC's water services delivery plan is financially sufficient.		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	Assessment	Focus for panel
Projected funding impact statement	Funding impact statement provided at a consolidated three waters level.	Sufficient, meets requirements.	Meets requirements	N/A
Projected statement of comprehensive revenue and expense	Statement of comprehensive revenue and expenses provided at a consolidated three waters level.	This statement shows a surplus from 2028/29 onwards compared to the earlier stated operating surplus from 2033/34 onwards. The inclusion of development contributions in this statement causes this variance. We noted that table 31 was labelled incorrectly.	Meets requirements	N/A
Projected statement of cashflows	Projected cashflow statement provided at a consolidated three waters level.	Projected cashflows are sufficient. We noted that table 32 was labelled incorrectly.	Meets requirements	N/A
Projected statement of financial position	Statement of financial position provided at a consolidated three waters level.	Meets requirements.	Meets requirements	N/A

Assessment Report: Part E – Financial projections and measures

Projected statement of comprehensive revenue and expense

Water Services Delivery Plan page 56

Projected statement of financial position

Water Services Delivery Plan page 57

Financial measures: revenue sufficiency

Water Services Delivery Plan pages 47 - 49

Financial measures: investment sufficiency

Water Services Delivery Plan pages 50 - 51

Financial measures: financing sufficiency

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Assessment Report: Water Service Delivery Plan – Additional information

Additional information	Summary of content in Plan	Assessment Review Comment	Focus for Panel
Additional disclosures to support the Plan	Appendix 1 to 13 - maps of water schemes Appendix 14 to 22 – maps of wastewater schemes	Requested for Department’s records, as the original attachments were inaccessible.	N/A
Significant capital projects	Significant capital projects for drinking water, stormwater and wastewater are clearly documented in the Plan.	Universal water metering is budgeted for 2032/2033 – 2033/34, but the Plan notes this may be brought forward to 2027. This will be monitored through implementation. Comparatively low investment planned for stormwater capital projects. Following a request from Plans review panel, STDC confirmed the level of funding for significant projects, including contingency, was appropriate.	Yes (stormwater)
Key issues, constraints, risks and assumptions	This section includes a list of significant risks to achieving financial sustainability and corresponding mitigations. Constraints are also listed in this section.	Key issues, constraints, risks and assumptions are covered in the Plan.	N/A