Water Services Delivery Plan Assessment

Assessment Report – Taupō District Council

Date completed: 27 August 2025

Te Kāwanatanga o Aotearoa
New Zealand Government

Internal Affairs
Te Tari Taiwhenua

Glossary and abbreviations

The table below sets out the abbreviations used in this report

	Abbreviation
Council Controlled Organisation	CCO
Capital Expenditure	capex
Department of Internal Affairs	Department
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
Operating Expenditure	opex
Secretary for Local Government	Secretary
Service Level Agreement	SLA
Statement of comprehensive review and expense	SOCRE
Taupō District Council	TDC
Water Services Delivery Plan	Plan

Assessment Cover Sheet

Background on council/s and engagement with the Department

Detail	Commentary
Councils involved in plan	Taupō District Council (TDC)
Number of connections	22,385 Drinking water, 25,016 Wastewater and Stormwater 24,297.
DIA comment on council engagement during Plan development process	Since November 2024, TDC has continued discussions with the six Waikato councils, as well as looking at delivering water independently. On 10 December 2024, TDC agreed to sign the Waikato Water Heads of Agreement document and to continue participating in the Waikato Water governance and transition planning activities. In February 2025, through discussions with the Chief Executive, the Department was informed that TDC councillors were looking to progress their stand-alone option. This was based on TDC's view that they are a low debt Council with water assets in good shape. They did not want to take on debt to subsidise other councils with a joint water CCO. TDC were open to exploring the multi-council CCO option, however, the council's analysis identified that there were no early clear advantages in joining. TDC indicated they would likely remain in discussions with the Waikato Waters Done Well councils grouping to explore the option of shared services, and the idea of nominal shareholding interest in the CCO to keep open future options for TDC to join at a later date. On 29 April 2025, TDC resolved to undertake public consultation on its proposed model for water service delivery. The preferred option was an Enhanced Inhouse Business Unit, with the alternative options being a Multi Council CCO with Waikato councils or a Single Council CCO. TDC consulted with their community from 30 April 2025 to 29 May 2025, which indicated 74% support for the IBU model. On 24 June 2025, TDC confirmed their decision to progress an IBU, and review the decision in two years. As part of this decision, councillors also agreed to join Waikato Waters as a limited shareholder for some shared services. We understand this agreement provides TDC with the option to pursue further collaboration with Waikato Waters at a later date. The final plan was submitted on 12 August 2025.

Feedback provided to council prior to submission on Draft Plan	TDC provided a draft plan to the Department for review approximately two weeks before submitting a final plan. We did identify some areas where further detail and clarification was needed to provide a complete view of financial sustainability, noting that none of the issues raised were of major concern regarding the overall financial sustainability of the plan. We noted the ring-fenced cash position was negative from 2027/28 to 2030/31 as it relied on unfunded reserves. Therefore, it appeared that additional debt/cash was required to create a positive cash balance from 2027/28 to 2030/31. We are satisfied that this matter has been sufficiently addressed in the final plan. The statement of cashflows now has a positive balance throughout to support the draw down of reserves from 2024/25 to 2027/28 in the plan.
Engagement with council during review and assessment process	TDC submitted their final plan on 12 August 2025. The Department asked for clarifications on minor financial and technical matters to help inform our assessment, including: • The cash surplus shown in the SOCRE differs from that in the statement of cashflows. The Department sought clarification on the variance from TDC. The variance is from vested assets included in the SOCRE. Development contributions, and cash from sale of assets show as ‘other Items’ in the cashflow from investing section of the statement of cash flows rather than cash surplus from operations. • We asked for commentary on the two water-take renewals currently underway, and if any associated capex is required. TDC clarified the two water-take consent renewals underway (Tirohanga and Tūrangi) are under negotiation for consent conditions, however additional capex and/or opex costs relating to these renewals are likely to be minor. • We asked for commentary on the formal warning for a wastewater discharge, and if any associated capex is required. TDC clarified a project to increase capacity at View Road was completed this year, and the commissioning of this second stage site has significantly dropped the nitrogen loading to View Road. The formal warning related to overloading that occurred before the project was completed and the discharge is now expected to remain compliant. On 25 August 2025, TDC re-submitted their plan and the Department’s assessment team was satisfied that the clarifications provided the additional detail required.
Other Background Comments	N/A

Assessment Summary

Section	Commentary
Confirmation of legislative completeness checklist	Yes – all required components completed.
General Comment on Plan	The Department's assessment identified no issues regarding the financial position of TDC. The plan is assessed as meeting the legislative requirements set out in section 13 of the Preliminary Arrangements Act. It is recommended that the following areas will be monitored during implementation: • Investment to meet population growth demands and the implementation of planned growth projects; and • Implementation of the planned compliance upgrade projects to ensure compliance with drinking water regulations.
Financial Sustainability Comment	The Plan is financially sustainable as the revenue is sufficient to ensure the long-term investment in delivering water services; and it is financially able to meet all regulatory standards and requirements for the delivery of those water services. The revenue and investment requirements noted in the plan reference delivery of the outcomes of TDC's LTP.
Revenue Sufficiency	The projected water services revenues cover the projected costs of delivering water services throughout the plan, with a positive operating surplus ratio and cash a surplus every year. The average three waters charge per connection of $2,034 in 2024/25 rises to $3,451 in 2033/34.
Investment Sufficiency	TDC's projected water services investment is sufficient to meet LOS, regulatory requirements and provide for growth. The total water services investment required over 10 years is consistent with their Infrastructure Strategy. The renewals strategy has been developed considering criticality and condition, with a focus on renewing water pipes in poor condition. Only a few stormwater assets require renewal due to their age or condition. The average remaining life of TDC's assets is increasing due to expenditure on renewals, LOS and growth projects.
Financing Sufficiency	TDC has sufficient funding and financing to deliver water services and their net debt to revenue is well within the whole of council LGFA borrowing limits. The water services net debt to revenue shows a reducing trend over the planned period and is within appropriate internal borrowing limits. The FFO to net debt is expected to increase from 10.7% in 2024/25 to 24.2% in 2033/34.
Overall assessment recommendation	The overall recommendation from the assessment phase is to **accept** the plan from TDC.

Topics for discussion with Panel

Topic	Description	Recommended treatment
Asset management and shared services with Waikato Waters	The asset management approach meets the requirements. Internal resources are used for treatment plant operations, project management and asset management. These are supported by external contracts for network operations and maintenance, professional services and specialist providers. Trade waste is provided by Colab Solutions (Shared services). TDC plans to collaborate with Waikato Waters for joint procurement via a shared services arrangement. Target Asset Management Practice level is Intermediate. The Maturity Assessment (2022) shows gaps in meeting the target intermediate level asset management practice in several areas. There is no discussion on how these will be addressed. Continued resourcing is proposed via a mix of internal resources, contractors, specialist services and professional services panel and shared services. We note the opportunity for TDC to consider utilising the proposed Shared Services Agreement with Waikato Waters to address gaps in asset management. The plan states that TDC will negotiate a Shared Services Agreement with Waikato Waters by 1 July 2026, with services provided from 1 July 2027.	This is not a significant issue and does not prevent the plan from meeting the legislative requirements. We note the opportunity for TDC to consider utilising the proposed Shared Services Agreement with Waikato Waters to address gaps in asset management.
Relatively low levels of stormwater growth capex (explanation provided by TDC)	There are relatively low levels of growth capex for stormwater, however TDC has provided an explanation for this. The renewals strategy has been developed considering criticality and condition. The focus for the next 10 years is on water pipeline renewals, and only a few stormwater assets require renewal due to their age or condition.	For noting only. This is not a significant issue and does not prevent the plan from meeting the legislative requirements.

Topic	Description	Recommended treatment
Projected commercial and industrial users' charges	The plan notes the average commercial charge is less than the projected average non-residential charges, and commercial customers will typically have multiple connections or pans. Drinking water charges are on a volumetric basis for commercial customers. Non-residential charges in the plan may not reflect the actual cost per connection. The charges are shown at a per connection charge, but a commercial customer may have more than one connection for water charges and more than one pan for wastewater charges.	For noting only. This is not a significant issue and does not prevent the plan from meeting the legislative requirements.
Projected financial statements (clarification provided by TDC)	The cash surplus shown in the SOCRE differs from that in the statement of cashflows. The Department sought clarification on the variance from TDC. The variance is from vested assets included in the SOCRE. Development contributions, and cash from sale of assets show as 'other Items' in the cashflow from investing section of the statement of cash flows rather than cash surplus from operations.	For noting only. This is not a significant issue and does not prevent the plan from meeting the legislative requirements.

Council summary information

Summary information	Level
Current population	41,400
Drinking water connections	*22,385*
Waste water connections	*25,016*
Stormwater connections	*24,297*
High growth council	*No*
10 year population growth	*16.9%*

Assets, network and compliance

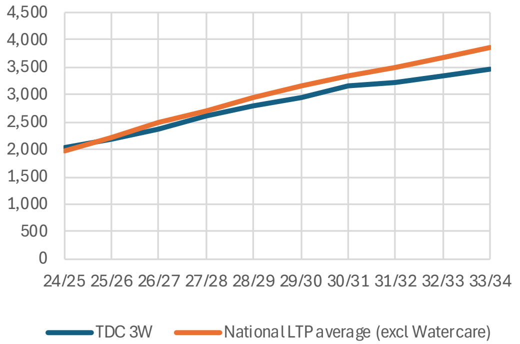
Asset measures	Year 1	Year 10	10 Year Average
Total assets per connection ($)	22,990	33,764	29,483
Total debt per connection ($)	6,625	7,956	8,014
Operating costs per connection ($)	778	1,068	996
Age of network (years)	**DW**	**WW**	**SW**
Average age outlined in plan	31	39	43

Network performance	Level
Level of service performance measures achieved	4 out of 6
Water loss rate (litres per day)	195
Average consumption (litres per person per day)	388

Compliance addressed in WSDP	
Drinking water compliance	YES
Resource consent compliance	YES

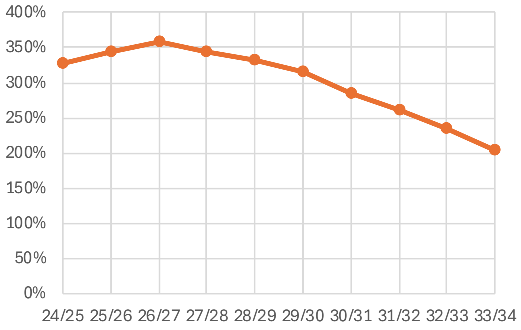
Affordability and growth

Water services charge compare to national LTP average



Financing

Net debt to operating revenue

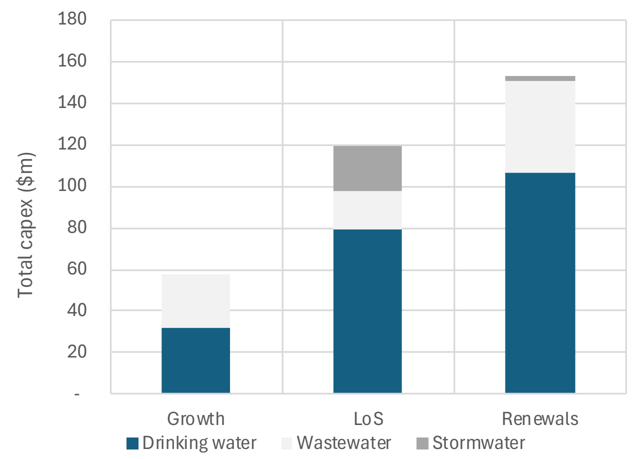


Capital expenditure	Category of capital expenditure			Total over 10 years
	Growth	Level of service	Renewals	
Drinking water	32,287	78,984	106,423	217,694
Wastewater	25,052	18,904	44,045	88,001
Stormwater	-	21,648	2,144	23,792
Total 10 years	57,339	119,536	152,612	329,487

Item	Year 1	Year 10	10 Year Average
Total charge as % of median income	1.80%	2.40%	2.16%
Annual price increase	N/A	3.50%	6.06%
DC collected per new connection ($)	N/A	N/A	10,926

Item	Year 1	Year 10	10 Year Average
Water related net debt to operating revenue %	327%	205%	301%
FFO to debt	10.7%	24.2%	14.4%
Whole of Council net debt to revenue (approx)	150%	60%	110%

Capex spend by type, 10 year total



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 the TDC IBU will meet financial sustainability requirements by June 2028. Full financial separation will be achieved by 1 July 2026. It is noted in the Plan that whole of Council borrowing is well within the debt to revenue limit of 280%, starting at 149% and decreasing below 100% by 2033/34. Significant debt headroom, an average of $366 million, is available within the 280% limit. TDC has significant liquid assets and net borrowing is low.	N/A	Meets requirements	N/A
The proposed model to deliver water services	The proposal is for TDC to continue delivering water services in-house under an enhanced business unit model. The key risks outlined are: • supplier and workforce availability; • unforeseen events e.g. natural disasters; and • regulatory standard changes.	The proposed model for an in-house model to deliver the water services is clear with a 1 July 2026 transition from the current arrangements and support from Waikato Waters expected to be available from 1 July 2027 (subject to future negotiation of scope and cost). The organisation structure is unchanged from the current structure other than provision for additional finance and regulatory roles. These roles are to support compliance with the Commerce Commission's disclosure and financial separation requirements, and provision for additional governance costs (proposed committee structure).	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Implementing the proposed service delivery model	Key milestones to achieve full ring-fencing and compliance with legislation stated are: • Governance improvement recommendations – 30 November 2025; • Financial separation changes to support full ring-fencing – 1 July 2026; • Economic regulation – prepare for information disclosure systems and data gap analysis – 1 July 2026; • Negotiate Shared Services Agreement with Waikato Waters – 1 July 2026, with services provided from 1 July 2027; • Review future delivery model as part of Water Services Strategy development – 1 July 2027; • Regulatory compliance amendments to reach full compliance with drinking water quality assurance rules by 30 June 2028 – consider by 30 June 2027.	Milestones and dates are provided with sufficient detail. The changes required are limited due to the existing ring-fencing of water activities. Financials include provision for levies, and additional costs for finance and regulatory roles and governance committee structure.	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Consultation and engagement undertaken	TDC publicly consulted on its proposal to retain water services in-house, with two alternative options proposed: joining a new regional water joint council-controlled organisation (Waikato Waters) or setting up a district council-controlled water organisation. As part of the consultation, TDC also asked if they should join Waikato Waters for the purpose of accessing shared services. Consultation was undertaken from 30 April – 29 May 2025. 74% of submissions supported the proposed option. It is stated the model was chosen based on the relative strength of TDC's existing financial position, relatively low debt with plenty of debt capacity, large investment reserves, and level of asset investment.	Consultation was in accordance with sections 61 to 64 of the Preliminary Arrangements Act.	Meets requirements	N/A
Assurance and adoption of the plan				
Council resolution to adopt the Plan	TDC resolved to adopt the Water Services Delivery Plan on 31 July 2025.	N/A	Meets requirements	N/A
Certification of the Chief Executive of Taupō District Council	The Chief Executive certified the plan on 8 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
Investment required in water services				
Serviced population and serviced areas	Taupō District has 15 water supply schemes, 11 wastewater schemes, and 17 stormwater schemes. Most of the connections are in Taupō, Tūrangi and Kinlock.	A small amount of growth in connections (11%) is expected over the 10-year period. LOS are generally met, with renewals targeted to areas with higher water loss.	Meets requirements	N/A
Assessment of the current condition and lifespan of the water services network	Assets are relatively young (30-40 years). Few wastewater or stormwater network assets are in poor condition. 24% of water network assets are in poor or very poor condition. Few treatment plant assets are in poor or very poor condition.	Condition and criticality information is collected and used to plan the renewals programme. TDC plans to migrate their treatment plant information to the asset information system to provide improved information.	Meets requirements	N/A
Asset management approach	Internal resources are used for treatment plant operations, project management and asset management. These are supported by external contracts for network operations and maintenance, professional services and specialist providers. Trade waste is provided by Colab Solutions (shared services). TDC plans to collaborate with Waikato Waters for joint procurement via a shared services arrangement. Target Asset Management Practice level is Intermediate.	The Maturity Assessment (2022) shows gaps in meeting the target intermediate level asset management practice in several areas. There is no discussion on how these will be addressed. Continued resourcing is proposed via a mix of internal resources, contractors, specialist services and professional services panel and shared services. We note the option for TDC to consider utilising Waikato Waters shared services in the asset management area.	Meets requirements	Yes

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Statement of regulatory compliance – Drinking water	A programme of investment is underway to meet drinking water regulatory compliance. Two schemes have been connected to the compliant Taupō supply. Eight out of 15 schemes are now compliant. One further scheme is to be connected to Taupō, and upgrades are scheduled for the remaining water schemes. The Motutere campground supply non-compliance relates to Arsenic levels in the lake water source, and bacterial and protozoal treatment is in place.	The planned investment is expected to make 14 out of 14 water supplies compliant by 2028. (The total number of supplies will be 14 by 2028, due to the merging of a small scheme into the Taupō scheme.) This relies on funding ($2.5 million) for an upgrade at the small Motutere scheme being bought forward from 2030/32. This will be confirmed via the 2027 Water Services Strategy. Recommend monitoring of implementation of the compliance upgrade projects.	Meets requirements	N/A
Statement of regulatory compliance – Resource consents	There are no enforcement actions for TDC's consents. Four consents are currently expired. Two water-take consents are being renewed, and consent conditions are currently being discussed with Waikato Regional Council. Options for the Tūrangi and Mangakino wastewater discharges were consulted on as part of the 2024 LTP with capex provided for. There was a formal warning for the wastewater discharge at Taupō – View Road Land Disposal Site related to nitrogen loading. TDC advised a project to increase capacity at View Road was completed this year, and the commissioning of this second stage site has significantly dropped the nitrogen loading to View Road. The formal warning related to overloading that occurred before the project was completed, and the discharge is now expected to remain compliant.	Budgets have been included for upgrades associated with the wastewater discharges currently on expired consents. Additional nitrogen removal is planned for the Taupō discharge site to maintain compliance. Implications of wastewater standards have been considered. Planning for the comprehensive stormwater consent renewals is underway. Significant capex is not expected to be required for water-take consent renewals.	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements	Investment is included in the plan to provide for growth (Taupō North specifically), improve LOS and renew assets. All stormwater growth capex is provided by developers as stormwater is primarily managed on-site due to well drained soils. Universal metering is proposed to manage water demand and provide capacity for planned growth in Taupō, Kinloch and Tūrangi.	The capex programme ranges from $27 million to $42 million per year with consistent spend on renewals. LOS and growth capex is provided to address drinking water regulatory compliance and wastewater consent renewals. Stormwater flood mitigation capex is provided to address flooding issues in existing areas, and quality improvements which may be required when the comprehensive stormwater consent is renewed.	Meets requirements	N/A
Historical delivery against planned investment	Improved delivery performance in the last year has been achieved with establishment of a Project Management Office, supplier panel expansion and maturing portfolio management practices.	The capital programme continues at a similar level to 2024/25 which has been delivered at 102%.	Meets requirements	N/A

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 and proposed charging arrangements are stated. Drinking water and wastewater services for residential customers are currently charged at a flat, targeted rate across the district. Some properties have meters, but only commercial and rural users are charged on volumetric basis. Stormwater is included as part of the general rate. TDC plans to consult on introducing volumetric water charging via their 2027 LTP and Water Services Strategy.	Charging and billing arrangements are outlined in the plan.	Meets requirements	N/A
Water services revenue requirements and sources	Residential and commercial water service charges (targeted and general rates): $606 million over 10 years (91%). User charges/fees (new connections, penalties etc): $4 million over 10 years (1%). Development contributions: $33 million over 10 years (drinking water $14 million, wastewater $19 million, and stormwater $0 million).	The plan provides details on the water services revenue requirements and sources.	Meets requirements	N/A
Existing and projected commercial and industrial users' charges	The projected average non-residential charges are stated. The plan notes the average commercial average charge is less, and commercial customers will typically have multiple connections or pans. Drinking water charges are on a volumetric basis for commercial customers.	Non-residential charges in the plan may not reflect the actual cost per connection. The charges are shown at a per connection charge, but a commercial customer may have more than one connection for water charges and more than one pan for wastewater charges.	Meets requirements	Yes
The affordability of projected water services charges for communities	Affordability is calculated at a three waters level as a percentage of median household income. Average charge per connection increases from 1.8% in 2024/25, to 2.4% from 2030/31 to 2033/34.	Affordability is within 2.5% of median household income throughout the plan.	Meets requirements	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Funding and financing arrangements				
Water services financing requirements and sources	The projected new borrowing requirements over 10 years to support the level of investment required is $182 million. TDC will set a separate borrowing limit for water services, and this will be done as part of their 2027 LTP and initial Water Services Strategy.	Water services financing requirements and sources are detailed appropriately in the plan.	Meets requirements	N/A
Internal borrowing arrangements	Internal borrowing arrangements are considered as part of the implementation plan for financial ring-fencing by 1 July 2026. Waters borrowings are already ring-fenced, as external debt is tracked at a capital project level. The borrowing limits for water will be separated as part of the next LTP and financial strategy review.	The plan details internal borrowing arrangements.	Meets requirements	N/A
Determination of debt attributed to water services	Total three waters debt on 30 June 2024 is $132 million.	The determination of debt attributed to water services is stated at total level and not separated into each activity.	Meets requirements	N/A
Insurance arrangements	TDC insures its three waters assets through BOPLASS (Bay of Plenty Local Authority Shared Services). A probabilistic loss modelling exercise for earthquake risk is underway. This is procured via BOPLASS with Aon as broker and is scheduled for completion in September 2025 to inform future insurance strategies. Water assets are externally valued every three years with interim inflation adjustments, and a full revaluation to replacement cost is planned for 2025/26. As at the June 2024 valuation, TDC has $739 million of three waters assets ($378 million of below ground assets, with the remainder being above ground).	Insurance arrangements have been noted appropriately.	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	The plan states that it meets the requirements of revenue, investment and financing sufficiency.	The plan explains how the delivery of water services will be financially sustainable by 30 June 2028.	Meets requirements	N/A
Actions required to achieve financially sustainable delivery of water services	The plan states that water services will be delivered in line with TDC's 2024-34 LTP to achieve financially sustainable water services.	TDC plans to deliver their LTP outcomes to achieve financially sustainable delivery of water services.	Meets requirements	N/A
Risks and constraints to achieving financially sustainable delivery of water services	High level risks are outlined, with further detailed risks in section F of plan.	Sufficient risks have been identified in the plan.	Meets requirements	N/A
Assessment of revenue sufficiency				
Projected water services revenues cover the projected costs of delivering water services	The plan demonstrates that sufficient revenue is collected to cover operating expenses with sufficient cashflow generated.	There is sufficient revenue for water services projected to be collected to cover operating expenses.	Meets requirements	N/A
Average projected charges for water services over FY2024/25 to FY2033/34	Average three waters charge per connection of $2,034 in 2024/25 rises to $3,451 in FY2033/34. The average charge in 2024/25 is made up of $925 for drinking water, $970 for wastewater, and $139 for stormwater. In comparison, the average projected charge in 2033/34 is $2,097 for drinking water, $1,129 for wastewater, and $225 for stormwater.	The average charge per connection for each activity is stated in the plan.	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	The operating surplus is positive and increases across the full period from 0.5% ($0.2 million) in 2024/25, to 21.6% ($78.6 million) in 2033/34.	The projected operating surplus ratio is positive throughout the plan.	Meets requirements	N/A
Projected operating cash surpluses for water services	The operating cash ratio remains positive throughout the period. It increases from 52.3% in 2024/25 to 61.6% in 2033/34.	The projected operating cash ratio remains positive throughout the period.	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	TDC is midway through a large capital works programme to upgrade all their drinking water sites to comply with drinking water standards. The plan states the capital delivery programme is ambitious, but achievable. Consequential operating expenditure is allowed for and increases over time. There is an evenly spread capital expenditure programme.	The plan demonstrates investment is sufficient to meet the requirements.	Meets requirements	N/A
Renewals requirements for water services	The asset sustainability ratio is negative throughout the plan. TDC notes their view that this is acceptable because spending has been planned in line with their Asset Management Plans and is based on a combination of asset condition assessments (where known), expected remaining life, and smoothing out of renewals spending to ensure assets are replaced in a sustainable way without large peaks in later years. Renewals are targeting water pipes and wastewater pipes reaching their end of life over the next 10 years and are consistent over the period.	Some LOS projects also provide a renewal component which will result in higher actual renewals spend. The renewals strategy has been developed considering criticality and condition. Few stormwater assets require renewal due to their age or condition.	Meets requirements	Yes

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Total water services investment required over 10 years	Spend and investment is high in initial years. This is primarily due to upgrading LOS to meet new drinking water standards. The district continues to grow, and the investment reflects this additional requirement. Capital investment is high throughout the 10-year period. Assets investment ratio is positive in all years, with water treatment plant upgrades and growth capex in earlier years leading to higher ratios in the first four years.	The total water services investment required over 10 years is consistent with TDC's Infrastructure Strategy.	Meets requirements	N/A
Average remaining useful life of network assets	The asset consumption ratio continues to increase over the plan – from 69.8% in 2024/25 to 89.5% in 2033/34. This indicates the network is relatively new and a low proportion of total assets are nearing the end of remaining useful life.	Asset average life remaining is increasing due to expenditure on renewals, LOS and growth projects.	Meets requirements	N/A
Assessment of financing sufficiency				
Confirmation that sufficient funding and financing can be secured to deliver water services	The whole of council borrowing is well within limits, with plenty of debt headroom. TDC currently has an AA credit rating and a strong investment reserve. TDC's borrowing is sourced from the LGFA and New Zealand banks.	TDC can borrow through the LGFA and New Zealand banks to deliver water services.	Meets requirements	N/A
Projected council borrowings against borrowing limits	The whole of council borrowings is shown on a graph and the net debt to revenue is about 150% in 2024/25 and declines to about 70% in 2033/34.	TDC's net debt to revenue is well within the LGFA net debt to revenue limit of 280%.	Meets requirements	N/A
Projected water services borrowings against borrowing limits	The water services net debt to revenue is 327% in FY2024/25. It rises to peak at 359% in 2026/27, before declining to 205% in 2033/34.	The water services net debt to revenue shows a reducing trend over the planned period and is within appropriate borrowing limits.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Projected borrowings for water services	The projected borrowings for water services are $140 million in FY2024/25. They rise to $203 million in 2029/30, then reduce to $161 million in 2033/34.	Water services debt is well within TDC's internal limit of 500% net debt to revenue.	Meets requirements	N/A
Borrowing headroom/(shortfall) for water services	Borrowing headroom is assessed against a 500% net debt to revenue limit. Borrowing headroom increases over the plan from $74 million in 2024/25 to $232 million in 2033/34.	Positive borrowing headroom is demonstrated throughout the 10-year plan period.	Meets requirements	N/A
Free funds from operations	FFO to net debt is stated to increase from 10.7% in 2024/25 to 24.2% in 2033/34.	FFO to net debt is stated, although the IBU will not be measured against a FFO to debt measure.	Meets requirements	N/A
Assessment of financing sufficiency	The plan demonstrates financing sufficiency.	The plan demonstrates financing sufficiency.	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
Projected funding impact statement	Funding impact statement shown at a consolidated three waters activity level.	Meets requirements.	N/A
Projected statement of comprehensive revenue and expense	Statement of comprehensive revenue and expense shown at a consolidated three waters activity level.	The cash surplus shown in the SOCRE differs from that in the statement of cashflows. The Department sought clarification on the variance from TDC. The variance is from vested assets included in the SOCRE. Development contributions, and cash from sale of assets show as ‘other Items’ in the cashflow from investing section of the statement of cash flows rather than cash surplus from operations. Meets requirements.	Yes
Projected statement of cashflows	Statement of cash flows shown at a consolidated three waters activity level.		
Projected statement of financial position	Statement of financial position shown at a consolidated three waters activity level.	Net debt reconciles to the values stated in the plan. Meets requirements.	N/A

Assessment Report: Part E – Financial projections and measures

Projected statement of comprehensive revenue and expense

Water Services Delivery Plan page 39

Projected statement of financial position

Water Services Delivery Plan page 41

Financial measures: revenue sufficiency

Water Services Delivery Plan pages 30 - 32

Financial measures: investment sufficiency

Water Services Delivery Plan pages 33 - 35

Financial measures: financing sufficiency

Water Services Delivery Plan pages 36 - 37

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 Plan	This section includes Comments on Assumptions from Audit NZ's report on the LTP 2024/34, a Summary of Resource Consents, the detailed Implementation Plan, an external letter of assurance and the Council resolution adopting the plan.	Meets requirements	N/A
Significant capital projects	The capital programme is outlined in the LTP 2024/34, with some minor amendments to phasing made as part of the Annual Plan 2025/26.	Meets requirements	N/A
Key issues, constraints, risks and assumptions	Disclosure of risks and material assumptions for water services delivery is outlined on pages 47 and 48 of the Plan.	Meets requirements	N/A