

# Water Services Delivery Plan Assessment

Assessment Report – Waimakariri District Council

Date completed: 10 July 2025

**Te Kāwanatanga o Aotearoa**  
New Zealand Government



**Internal Affairs**  
**Te Tari Taiwhenua**

IN CONFIDENCE

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# Assessment Cover Sheet

## Background on council and engagement with the Department

Detail	Commentary
<b>Councils involved in plan</b>	Waimakariri District Council (WDC)
<b>DIA comment on council engagement during plan development process</b>	<p>WDC was initially focussed on the possibility of a North Canterbury joint model (alongside Hurunui and Kaikōura District Councils). In early September 2024, WDC developed financial modelling for a joint model which demonstrated the option would be viable. However, WDC advised the Department they were interested in a range of options for working collaboratively, including shared services. They requested advice from the Local Government Funding Agency (LGFA) through the Department, to consider how some of LGFA’s financing arrangements could potentially be applied to different approaches, such as a shared service model that has revenue setting powers.</p> <p>On 23 January 2025, councils of the North Canterbury grouping met with the Department to work through considerations for a joint approach.</p> <p>On 28 February 2025, the three North Canterbury councils released a joint statement signalling WDC’s preferred model was to go in-house, and Kaikōura and Hurunui District Councils decided to pursue a joint council-controlled organisation (CCO) as their preferred option for consultation. The statement expressed the intent for continued collaboration between the councils.</p> <p>On 4 March 2025, the Department met with WDC to discuss their position on the above decision.</p> <p>WDC consulted with their community from 14 March to 21 April 2025 on a preferred in-house model and signalled an intent to pursue shared services arrangements with neighbouring councils (Hurunui and Kaikōura) as part of this.</p>
<b>Feedback provided to council on draft plan prior to submission</b>	<p>Feedback to WDC mostly focussed on supporting early work on a multi-council model with other North Canterbury councils. Following this, engagement was mostly limited to general check ins and ad hoc responses to queries.</p> <p>WDC did not submit a draft plan to the Department for review.</p>

Detail	Commentary
<p><b>Engagement with council during review and assessment process</b></p>	<p>Following an initial technical and financial review, WDC was asked to clarify aspects of their plan to enable the review to progress. The following clarifications were sought:</p> <ul style="list-style-type: none"> <li>• Clarification of the arrangements between the in-house business Unit (IBU) and services related to rural land drainage and stock water.</li> <li>• Clarification of where in the plan the description of the levels of service (LoS) relating to water services provided was included – it is a requirement of the Local Government (Water Services Preliminary Arrangements) Act 2024 (the Preliminary Arrangements Act) that this be included in the plan.</li> <li>• Details of the specific projects and/or programmes to meet the drinking water standards by December 2025, as indicated in the plan.</li> <li>• Confirmation that replacement of 22 consents that are expiring have been provided for in 10-year plan budget (noting the nine consents applications that are active). As they did not appear in LoS' 'significant projects' for drinking water, how are they categorised?</li> <li>• An explanation for the level of renewal expenditure for stormwater assets.</li> <li>• A list of the critical assets that are referred to on page 25.</li> </ul> <p>On 7 July 2025, WDC re-submitted their plan and the Department's assessment team was satisfied that the clarifications provided the additional detail required.</p>

## Assessment Summary

Section	Commentary
<b>Confirmation of legislative completeness checklist</b>	<p>Yes – all required components completed.</p>
<b>General comment on plan</b>	<p>The Department’s assessment identified no issues regarding the financial position of WDC – sufficient funding and financing can be secured to deliver water services with a high level of headroom. The Waimakariri District has experienced recent high growth and, along with earthquake repairs, has resulted in a relatively new asset base – this is reflected in the level of future investment and financing set out in the plan. The transition to an IBU is expected to be completed by July 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 Preliminary Arrangements Act, following the clarifications provided by WDC during the review process.</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"> <li>• There is limited detail on how ringfencing will be achieved but it does not reach the threshold for legislative non-compliance. WDC noted that more stringent ringfencing and financial reporting is required to ensure that economic regulation is met.</li> <li>• The implementation plan states efficiency targets and that financial sustainability will be achieved July 2027. However, a lack of interim targets and deadlines in the implementation plan creates a risk that timelines for IBU implementation become compressed prior to July 2027. These targets, along with implementation progress, should be monitored.</li> <li>• From financial year 2029/30 net debt to operating revenue decreases due to a smaller capital works programmes, which stems from less certainty around regulatory requirements and growth forecasts. The Department expects that, once regulatory settings are confirmed, future water services delivery strategies and long-term plans should capture future capital works programmes and investment with a greater level of certainty. The Department’s financial review indicates that there is sufficient financial headroom if capital expenditure were to increase in out years.</li> <li>• Leakage of 22.2 percent is noted, which is relatively high for a network of this age but is in line with WDC performance targets. While this is not a matter of legislative non-compliance, Levels of Service reporting should assist WDC in addressing this issue in the long-term.</li> </ul>

Section	Commentary
	<ul style="list-style-type: none"> <li>• Residential and commercial charges were not separated out in the plan.</li> </ul> <p>In addition, there are the matters that the Department asked WDC to clarify, which were satisfactorily addressed but should still be monitored during implementation:</p> <ul style="list-style-type: none"> <li>• Renewal of expiring consents</li> <li>• Levels of service reporting</li> </ul> <p>Further details on these matters are set out in the 'issues for discussion with the panel' section below.</p>
<b>Financial sustainability comment</b>	Financial modelling shows financial sufficiency by 30 June 2028 with funds from operations (FFO) metric above 14.1 percent. The implementation plan states efficiency targets and financial sustainability will be achieved by July 2027. We recommend monitoring these targets during implementation. Risks are outlined in the plan, and the requirements for financial sustainability are met.
<b>Revenue sufficiency</b>	Projected operating cash surpluses are sufficient, and a projected operating surplus is achieved when capital revenue is included. There is sufficient detail on the average projected charges. We recommend splitting residential and commercial charges and monitoring this during implementation. The requirement for revenue sufficiency is met.
<b>Investment sufficiency</b>	Projected water services investment is sufficient to meet the levels of service, regulatory requirements and growth that WDC has set out in the plan. The requirement for investment sufficiency is met.
<b>Financing sufficiency</b>	Sufficient funding and financing can be secured to deliver water services with a high level of headroom. The projected council borrowings and water services borrowings are within the limits. The assessment identified no issues with WDC's financial position, and the approach used for FFO is consistent with WDC's financial strategy of depreciation funding being invested at interest rates higher than inflation over the life of the assets. The requirement for financing sufficiency is met.
<b>Overall assessment recommendation</b>	The overall recommendation from the assessment phase is to <b>accept</b> the plan from Waimakariri District Council.

## Issues for discussion with Panel

Issue	Description	Recommended treatment
Expiring consents	<p>There are currently nine active consent applications, and 22 consents expiring in the next 10 years. The plan provided limited commentary on the budget to replace consents. Following the Department’s request for further information, WDC has clarified that the renewal of the 12 water take consents are not expected to require additional infrastructure, hence there is no specific capital expenditure budget included. Our assessment indicates the council is well-placed to manage unexpected opex spend, and we note significant opex projects can be spread over three years to smooth the financial impact if appropriate.</p> <p>This does not have material impacts on the overall financial sustainability of the plan. However, we recommend that the Department monitors this issue through the implementation process to ensure that WDC can obtain the required consents.</p>	It is recommended that the plan is accepted, but that the renewal of consents is monitored through the implementation process.
Levels of service	<p>The Preliminary Arrangements Act requires that plans must include a description of the levels of service relating to water services provided. Following the Department’s request for further information, WDC has provided some information on their measures and targets for their 2025/26 Annual Plan, but not their performance against those metrics. WDC has not provided information on performance on the levels of service in financial year 2023/24. Using the information publicly available in WDC’s 2023/24 Annual Report, we have assessed that there are some performance issues for drinking water supply and note that drinking water compliance and the renewal of consents are detailed in the plan.</p> <p>The information available on performance against levels of services is sufficient to meet the legislative requirements but performance should continue to be monitored.</p>	It is recommended that the plan is accepted but the Department monitors the council’s performance against levels of service during implementation.

# WSDP Summary Analysis – Waimakariri District Council

## Council Summary Information

Summary information	Level
Current population	71,000
SW Connections	24,088
DW Connections	19,345
WW Connections	19,409



## Assets, Network, and Compliance

Asset measures	Year 1	Year 10	10YA
Total assets per connection (\$)	44,597	50,853	48,500
Total debt per connection (\$)	3,973	5,178	5,082
Operating costs per connection (\$)	1,619	1,947	1,835
Age of network	DW	WW	SW
Average age outlined in plan (yrs)	21	24	18

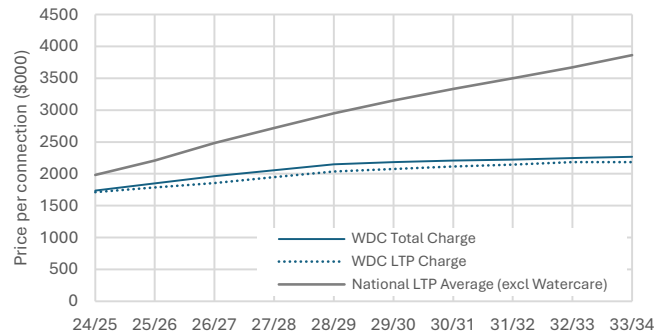
Network Performance	Level
Level of Service Performance Measures Achieved	Not submitted
Water loss rate	22.27%
Average consumption (L per person per day)	349

Compliance	Met by June 2028
Drinking water compliance	YES
Resource consent compliance	YES

Note : “~” indicates that figure has been derived or implied from a chart, or if annual figures were not listed in the plan

## Affordability & Growth

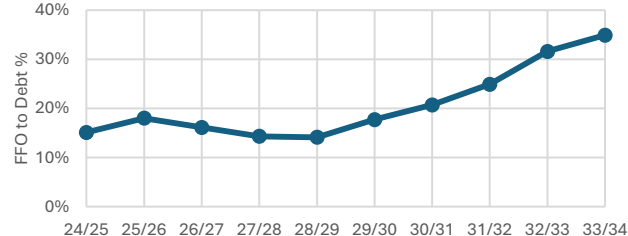
WDC Plan Price Path vs LTP vs National LTP Average (excl Watercare)



Item	Year 1	Year 10	10YA
Total charge as % of median income*	~2%	~2%	~2%
Annual price increase	6.5%	0.9%	3.0%
DC collected for new connections (\$)	45,470	27,936	26,081

## Financing

Free funds from Operations (FFO) as % of Debt, 10 years

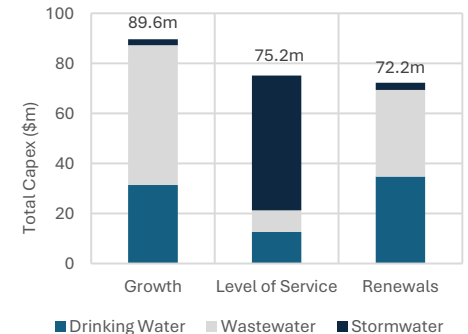


Item	Year 1	Year 10	10YA
FFO to Debt	15%	35%	21%
Water Related Debt to Revenue %	179%	92%	161%
Whole of Council Debt-to-Revenue*	~150%	~100%	~145%

## Capital Expenditure

Capital Expenditure	Category of Capital Expenditure			Total over 10 years
	Growth	Level of Service	Renewals	
Drinking Water	31,363	12,619	34,812	78,794
Waste Water	55,962	8,660	34,627	99,249
Storm Water	2,278	53,912	2,802	58,992
<b>Total over 10 years</b>	<b>89,603</b>	<b>75,191</b>	<b>72,241</b>	<b>237,035</b>

Capital Spend by Type, 10yr Total



# 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>Includes a statement that provision of waters services is financially sustainable, noting that:</p> <ul style="list-style-type: none"> <li>• Water services investment levels meet the ‘investment sufficiency’ test.</li> <li>• Projected revenues are sufficient and meet the ‘revenue sufficiency’ test.</li> <li>• There is debt headroom to meet investment and provide for unforeseen events. Forecasts show the debt peaks at 173 percent, decreasing over the long term. The plan notes this is less than half the borrowing capacity of 350 percent allowed for a growth council.</li> </ul> <p>WDC water services currently meet revenue, investment and financing sufficiency. This is not forecasted to change between now and 30 June 2028. However more stringent ringfencing and financial reporting is required to ensure that economic regulation is met.</p>	Aligns with financial information provided in parts D and E of the plan.	Meets requirements	N/A

Section in Part A	Summary of content in plan	Assessment review comment	Assessment	Focus for panel
<p><b>The proposed model to deliver water services</b></p>	<p>The proposal is for a three waters In-house business unit.</p> <p>The IBU will operate as part of WDC, with its operations financially ringfenced from other council activities to comply with regulatory requirements.</p> <p>Charging for water services will continue to be collected through rates.</p> <p>WDC is proposing that the IBU will deliver rural land drainage and stock water but that investment revenues for stormwater will be ringfenced. These council functions will be included as part of the delivery services of the IBU.</p> <p>All council units interacting with the IBU will have service level agreements (SLA) (much as an external contract) that underpin the level of service agreed and any financial arrangements.</p> <p>There is no formal arrangement in place, but WDC has indicated it will consider shared services arrangements with Hurunui District and Kaikōura District Councils, or if it is established, a future Hurunui/Kaikōura water services council-controlled organisation.</p>	<p>The plan’s description of the proposed delivery model is relatively high level (which reflects the preliminary stages of the implementation planning).</p> <p>While there is a three-year transition from the current arrangements to the IBU, and the future IBU will operate as part of the Council.</p> <p>The plan notes that the IBU will deliver rural land drainage and stock water but drinking water, wastewater and stormwater will be financially ringfenced from other council activities to meet “regulatory requirements”.</p> <p>This will be supported by SLA’s between units of the Council and the new IBU.</p> <p>There is limited detail on how that ringfencing will be achieved but it does not appear to reach the threshold for non-compliance.</p> <p>Following the Department’s request for further information, WDC has provided additional clarification on the IBU delivery arrangements for rural drainage and stock water. We note these arrangements will be managed through a formal service level agreement.</p>	<p>Meets requirements</p>	<p>N/A</p>
<p><b>Implementing the proposed service delivery model</b></p>	<p>The council is taking a phased approach to implement the IBU.</p> <p>The “go-live” date for IBU operation is July 2027.</p> <p><b>During phase 1: Preliminary establishment of IBU (July 2025 to June 2027),</b></p>	<p>The implementation plan meets the requirements set out in section 13(2) of the Preliminary Arrangements Act.</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
	<p>Key milestones are:</p> <ul style="list-style-type: none"> <li>• Preliminary IBU structure in place from July 2025, including water services unit name change and initial job title changes as required.</li> <li>• Publish plan on Council website by December 2025.</li> <li>• Amend and resubmit plan to the Department by September 2026.</li> <li>• SLAs drafted and signed by July 2027.</li> <li>• Business plan approved by Council by July 2027.</li> <li>• Position descriptions updated for existing staff, including line reporting changes or team structure changes as required by July 2027.</li> <li>• Change management process completed (where required) by July 2027.</li> <li>• Financial system upgrades completed, and staff training completed (where required) by July 2027.</li> <li>• Draft three-year water services strategy approved by Council by July 2027</li> </ul> <p><b>Phase 2 Full Implementation of IBU (July 2027 and onward)</b></p> <p>Key milestones are:</p> <ul style="list-style-type: none"> <li>• Full operations launched (go live date start of July 2027).</li> <li>• Water services fully ringfenced.</li> </ul>	<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 2027 at the latest).</p> <p>While the implementation timeline covers two years, a lack of interim targets and deadlines between 2025 and 2027 create a risk that implementation could become compressed towards July 2027. Progress towards IBU implementation can be monitored by the Department.</p>		

Section in Part A	Summary of content in plan	Assessment review comment	Assessment	Focus for panel
	<ul style="list-style-type: none"> <li>• First standalone financial statements published.</li> <li>• Annual compliance reviews initiated.</li> <li>• Efficiency targets and financial sustainability achieved.</li> </ul>			
<b>Consultation and engagement undertaken</b>	<p>Consultation on the plan (as part of the consultation of the draft Annual Plan 2025/26) took place between 14 March 2025 and 21 April 2025.</p> <p>Council received 764 submissions, 97.2 percent supported the proposal for an IBU.</p> <p>Hearings took place on 6 May 2025, and Council deliberations took place on 27 May 2025.</p>	<p>Consultation meets the requirements of Part 3 of the Preliminary Arrangements Act.</p> <p>The number of submissions represents approximately 1.2% of the population in the district.</p>	Meets requirements	N/A
<b>Assurance and adoption of the plan</b>				
<b>Council resolution to adopt the Plan</b>	Water services delivery plan adopted 3 June 2025.	N/A	Meets requirements	N/A
<b>Certification of the Chief Executive of Waimakariri District Council</b>	Water services delivery plan certified 19 June 2025.	N/A	Meets requirements	N/A

## 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>Drinking water supply to 80 percent of residential properties across 11 schemes.</p> <p>Wastewater is provided to 73 percent of residential properties (two schemes).</p> <p>Stormwater services are provided to five urban and seven rural schemes for approximately 75 percent of the district's population.</p> <p>High growth areas are supported by strategies.</p>	<p>Levels of services for financial year 2025/26 are referenced in Appendix 1. WDC did not provide information on performance on the levels of service in financial year 2023/24. Recommend performance is monitored through the implementation process.</p> <p>The plan does not include an increase or expansion of the levels of service over and above the current performance targets.</p>	Meets requirements	<b>Yes</b>
<b>Assessment of the current condition and lifespan of the water services network</b>	Plan outlines understanding of asset condition and performance. Condition surveys underway on underground assets. Condition assessment complete on all critical above ground assets.	Following clarification from WDC, critical assets are listed in Appendix 2.	Meets requirements	N/A
<b>Asset management approach</b>	Appropriate asset management practices and systems in place. Asset maturity assessment referenced.	The asset management approach is appropriate.	Meets requirements	N/A
<b>Statement of regulatory compliance – drinking water</b>	10 of 11 schemes compliant by June 2025. All schemes fully compliant by December 2025.	The plan includes a table with expected drinking water compliance by December 2025.	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 compliance actions or expired consents. There are currently nine active consent applications, and 22 consents expiring in the next 10 years. The plan provides little to no commentary on budget to replace consents.</p> <p>Following the Department’s request for further information, WDC has clarified that the renewal of the 12 water take consents are not expected to require additional infrastructure, hence there is no specific capital expenditure budget included.</p> <p>The wastewater and stormwater consents that are to be renewed in the next 10 years have been addressed in the plan and associated with specific upgrade projects or factored into global consents.</p>	<p>Clarification on arrangements for the consents expiring in the next 10 years has been provided on page 29 of the plan.</p> <p>Our assessment indicates the council is well placed to manage unexpected opex spend, and we note significant opex projects can be spread over three years to smooth the financial impact if appropriate.</p> <p>This does not have material impacts on the overall financial sustainability of the plan. However, we recommend that the Department monitors this issue through the implementation process to ensure that WDC is able to obtain the required consents.</p>	Meets requirements	<b>Yes</b>
<b>Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements</b>	<p>Budgets indicate pre-planned investment.</p> <p>Renewal expenditure varies significantly year on year. However, they have detailed young assets that do not require renewing in the 10-year period.</p>	<p>Further clarification on the level of renewal expenditure for stormwater assets was provided to address gaps in stormwater expenditure and the renewal budget. WDC clarified that the low level of renewal expenditure is related to the relatively new age of the stormwater assets. The plan also refers to the Infrastructure Strategy which shows Council’s 150-year renewals model.</p> <p>No specific levels of service have been referenced. We recommend this is monitored during implementation.</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>	Historic spend detail indicates no issues delivering programme. Capex does increase in first half of 10-year plan. The plan notes they can resource delivery internally and bring in additional capacity using external providers if required.	N/A	Meets requirements	N/A

# 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>	Current and proposed charges stated – no changes are currently planned to charging mechanisms.	A three waters rating review is planned to be undertaken prior to the next long-term plan to ensure that levels of charging are still appropriate.	Meets requirements	N/A
<b>Water services revenue requirements and sources</b>	Operating revenue is broken down by where it is received from (rates, user charges/fees, development contributions, etc), but not by activity i.e. simply water services, rather than drinking water, wastewater, etc.  Development contributions are a large proportion of revenue i.e. quarter in year one, then a sixth in year 10.	Targeted rates and development contributions are detailed for separate geographic areas in the region.	Meets requirements	N/A
<b>Existing and projected commercial and industrial users' charges</b>	Average increase is 3 percent per year over the 10 years, which is skewed towards the first few years. However, the highest is 6.5 percent in year one.	There are price increases (which are necessary to be compliant) of 6.5 percent reducing to 0.9 percent over 10 years. Projected commercial or industrial user charges were not separated as they are treated in the same way as residential.	Meets requirements	N/A
<b>The affordability of projected water services charges for communities</b>	Water charges will remain between 1.9 percent and two percent of median household income throughout. This is assuming median household income will increase at three percent - which is the higher end of that assumption.	The affordability of future water services is in line with standard benchmarks of around two percent median household income.	Meets requirements	N/A

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>Borrowing will go through LGFA.</p> <p>Projected borrowing requirements over next 10-years to deliver the level of investment required is \$37m.</p> <p>Minimum cash and working capital requirements for sustainable delivery of water services are operating expenses less depreciation plus debt repayments plus \$48m for headroom to cover unforeseen events.</p>	Financing requirements and sources are outlined clearly.	Meets requirements	N/A
<b>Internal borrowing arrangements</b>	<p>Internal borrowing will be 25-year loans. Interest charge is fixed at the interest rate at the time of borrowing. The principal repayments will be included in the rates.</p> <p>Each internal loan is individually raised, tracked and attributed to relevant water schemes.</p>	Internal borrowings explanation is sufficient.	Meets requirements	N/A
<b>Determination of debt attributed to water services</b>	<p>WDC allocates and tracks debt attributed to all departments. Internal loans are raised within each scheme to cover capital expenditure.</p> <p>Debt attributed to water: \$80.1m</p> <p>Net debt attributed to water: \$49.5m</p> <p>Water net debt to operating revenue: 125 percent</p>	Determination of debt attributed to water services is appropriate.	Meets requirements	N/A
<b>Insurance arrangements</b>	<p>Council will continue to hold insurance for all activities. Insurance cover is based on replacement values and based on periodic revaluations.</p>	Sufficient details are provided on insurance arrangements.	Meets requirements	N/A

# 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>	<p>Water services currently meet revenue, investment and financing sufficiency. This is not forecast to change between now and 30 June 2028.</p> <p>Funds from operations is never lower than 14.1 percent, with it going as high as 34.9 percent in financial year 2033/2034.</p>	Financially sustainable delivery of water services is achieved by 30 June 2028.	Meets requirements	N/A
<b>Actions required to achieve financially sustainable delivery of water services</b>	<p>The plan states that financially sustainable delivery of water services is already achieved.</p> <p>Future efficiency and savings are identified within the plan.</p>	<p>The implementation plan has efficiency targets and financial sustainability achieved as a Phase 2 milestone in July 2027. We recommend monitoring this during implementation.</p> <p>To ensure that economic regulation is met, more stringent ringfencing and financial reporting will be required of the IBU compared to current council practices. This is not an issue with regards to plan acceptance but will be monitored during implementation.</p>	Meets requirements	N/A
<b>Risks and constraints to achieving financially sustainable delivery of water services</b>	Risks are listed for natural events, deteriorating water quality, inflation, economic growth, delays with capital works programmes, growth developments and regulatory changes.	Sufficient details provided.	Meets requirements	N/A

Section in Part D	Summary of content in plan	Assessment review comment	Assessment	Focus for panel
<b>Assessment of revenue sufficiency</b>				
<b>Projected water services revenues cover the projected costs of delivering water services</b>	WDC's projected revenue is greater than projected expenditure throughout with the net surplus used to repay debt.	Projected water services revenues cover the projected costs of delivering water services.	Meets requirements	N/A
<b>Average projected charges for water services over FY2024/25 to FY2033/34</b>	Average projected charges shown at a per connections level.  Average projected charges for water services rise from \$1,738 in year one to \$2,268 in year 10.	Sufficient detail to pass but recommend a split between residential and commercial charges for transparency reasons. Monitor during implementation.	Meets requirements	N/A
<b>Projected operating surpluses/(deficits) for water services</b>	An operating deficit is projected in every year of the 10 years covered, ranging between \$3m and \$6m – range between (6.3 percent) and (17.5 percent) operating surplus ratio (deficit).  This is due to the depreciation funding policy, where the depreciation is not fully funded due to the depreciation fund being able to invest at interest rates higher than inflation over the life of the assets.  WDC is projected to generate surpluses with capital revenues included.	Projected surpluses are generated when capital revenue (development contributions) are included.	Meets requirements	N/A
<b>Projected operating cash surpluses for water services</b>	Sufficient operating cash surplus. The operating cash ratio for the combined 10 years is 42 percent; ranging between 35.4 percent and 44.2 percent.	There is sufficient projected operating cash surplus.	Meets requirements	N/A

Section in Part D	Summary of content in plan	Assessment review comment	Assessment	Focus for panel
<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>	<p>Asset renewals will be funded by depreciation. Regulatory requirements and increased levels of service will be funded by debt. Growth will be funded by development contributions.</p> <p>The investment requirements are higher for the first five years of the period due to more certainty around the required investments. High expenditure in financial year 2024/25 through to financial year 2028/29 has explanations for expenditure levels.</p> <p>Assets requiring renewal, regulatory requirements and forecasted growth have been budgeted for in the LTP.</p>	Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth.	Meets requirements	N/A
<b>Renewals requirements for water services</b>	<p>Projected levels of renewals are lower than projected depreciation, however due to the council being high growth the asset age is quite low.</p> <p>Asset sustainability ratios all negative (i.e. capital renewals budgets less than depreciation allowance) due to high growth and newer asset base.</p>	Appropriate renewals requirements for water services.	Meets requirements	N/A
<b>Total water services investment required over 10 years</b>	<p>The asset investment ratio is higher in the first five years due to higher certainty. It is negative for four of the last five years.</p> <p>Asset investment ratio is over 100 percent until financial year 2028/29. Consistent with WDC's infrastructure strategy.</p>	<p>Once there is greater certainty around regulatory requirements, we anticipate this number will increase over the next five years.</p> <p>Further clarification on the level of renewal expenditure for stormwater assets was provided to address gaps in stormwater expenditure and the renewal budget.</p>	Meets requirements	N/A

Section in Part D	Summary of content in plan	Assessment review comment	Assessment	Focus for panel
<b>Average remaining useful life of network assets</b>	The asset consumption ratio is decreasing over the upcoming ten years from 76.1 percent to 73.0 percent.	The proposed level of asset investment has minimal impact on average remaining useful life of assets due to relatively younger existing assets from the relatively recent effect of earthquakes and recent high growth and development in the district.	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>	Financing sufficiency and borrowing headroom are calculated against debt to revenue ratio.	Calculation should be against FFO to debt metric. However, there is headroom, and it is sufficient.	Meets requirements	N/A
<b>Projected council borrowings against borrowing limits</b>	WDC borrowing is projected to be within internal policy borrowing limits (noting that LGFA allow higher limits). From financial year 2031/32 borrowing decreases.	Projected council borrowings are within borrowing limits.	Meets requirements	N/A
<b>Projected water services borrowings against borrowing limits</b>	Water services borrowing will peak around financial years 2027/28 and 2028/29 and remain within internal policy borrowing limits. Then from financial year 2029/30 borrowing decreases.	Projected water services borrowings are within borrowing limits.	Meets requirements	N/A
<b>Projected borrowings for water services</b>	Net debt attributed to water services goes up for the first five years but then goes down quite sharply.  Net debt to operating revenue goes from 179 percent at the start to a peak of 214 percent and finishes at 92 percent.	From financial year 2029/30 net debt to operating revenue decreases due to smaller capital works programmes from less certainty around regulatory requirements and growth forecasts; plus, depreciation is collected and invested for future asset renewals.	Meets requirements	N/A

Section in Part D	Summary of content in plan	Assessment review comment	Assessment	Focus for panel
<b>Borrowing headroom/ (shortfall) for water services</b>	Borrowing headroom calculated against debt to revenue.	Calculation should be against FFO to debt metric. However, there is headroom, and it is sufficient.	Meets requirements	N/A
<b>Free funds from operations</b>	<p>Climbs from 15.1 percent in 2024/25 to 34.9 percent in 2033/34.</p> <p>The free funds from operations ratio is projected to start increasing from 2029/30, which is when capital works programmes reduce, and more cash is proposed to be invested towards future asset renewals.</p>	This is consistent with the financial strategy of depreciation funding being invested at interest rates higher than inflation over the life of the assets.	Meets requirements	N/A
<b>Assessment of financing sufficiency</b>	Sufficient funding and financing can be secured to deliver water services with headroom.	Meets the sufficiency test.	Meets requirements	N/A

## 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 (FIS) shown for water services.	There is a FIS for drinking water, wastewater, stormwater and combined water services.	N/A
<b>Projected statement of comprehensive revenue and expense</b>	Statement of comprehensive revenue and expense (SOCRE) shown for water services.	The SOCRE is for drinking water, wastewater, stormwater and combined water services.	N/A
<b>Projected statement of cashflows</b>	Cashflow shown for water services.	Projected statement of cashflows balances.	N/A
<b>Projected statement of financial position</b>	Balance sheet shown for water services.	Debt aligns with values earlier in the plan, and revaluation reserves tie with revaluations in the SOCRE.	N/A

# Part E – Financial projections and measures

## **Projected statement of comprehensive revenue and expense**

Water Services Delivery Plan page 58

## **Projected statement of financial position**

Water Services Delivery Plan page 60

## **Financial measures: revenue sufficiency**

Water Services Delivery Plan pages 44 to 46

## **Financial measures: investment sufficiency**

Water Services Delivery Plan pages 47 to 49

## **Financial measures: financing sufficiency**

Water Services Delivery Plan pages 50 to 54

# Additional information

Additional information	Summary of content in plan	Assessment review comment	Focus for panel
<b>Additional disclosures to support Plan</b>	Appendix 1 - Water Services Levels of Service Appendix 2 - Identified Critical Assets Appendix 3 – Financial Analysis Modelling Results for Waimakariri District Council In House Business units	Some of this information was provided following clarification from WDC.	N/A
<b>Significant capital projects</b>	Significant capital projects for drinking water, stormwater, and wastewater are clearly documented in the plan.	Limited levels of service information on significant projects such as water meter projects to address water losses. This will be monitored through implementation.	N/A
<b>Key issues, constraints, risks and assumptions</b>	Section includes a list of issues, constraints and significant risks across each of the three waters.	The plan notes that this material is aligned with the 2021 to 2051 WDC Infrastructure Strategy, which has not been provided with the plan, but not required for assessment.	N/A