

Water Services Delivery Plan Assessment

Assessment Report – Waikato Water Done Well

Date completed: 5 September 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

Term	Abbreviation
Council-controlled organisation	CCO
Department of Internal Affairs	Department
District Council	DC
Drinking Water Quality Assurance Rules	DWQAR
Funds from operations	FFO
In-house business unit	IBU
Local Government Funding Agency	LGFA
Local Water Done Well	LWDW
Levels of service	LOS
Local Government (Water Services Preliminary Arrangements) Act 2024	Preliminary Arrangements Act
Long-term plan	LTP
Shareholder's Agreement	SHA
Secretary for Local Government	Secretary
Service level agreement	SLA
Waikato Water Done Well	WWDW
Wastewater treatment plant	WWTP
Water services council-controlled organisation	WSCCO
Water services delivery plan	Plan

Note for the Plans review panel regarding format of this assessment report

- The Waikato Water Done Well grouping comprises six councils: Ōtorohanga, Waitomo, South Waikato, Waipā, Matamata-Piako, and Hauraki District Councils.
- The delivery model being adopted by each of the six councils is a multi-council WSCCO for delivery of wastewater and drinking water. Each council will retain stormwater delivery within their respective council.
- The councils each submitted separately their final Water Services Delivery Plan to the Department with the following components:
 - A shared implementation plan for the two-water CCO aspect, with a separate implementation plan for stormwater delivery.
 - Separate Part B – Network performance for each council, covering all three waters.
 - Separate Part C – Charging and financing arrangements for each council, with content for each CCO being the same across all plans.
 - A shared Part D – Assessment of financial sustainability for two waters transferring to the CCO, and separate Part D for the stormwater component for each council.
- This assessment report covers seven assessments in seven separate sections:
 - The multi-council CCO for drinking and storm water – Pages 8 to 38. Covers all aspects of the Plans that were joint across all councils, as well as the investment sufficiency information relating to the waters being transferred into the CCO.
 - Hauraki DC stormwater – Pages 39 to 50.
 - Matamata-Piako DC stormwater – Pages 51 to 64.
 - Ōtorohanga DC stormwater – Pages 65 to 76.
 - South Waikato DC stormwater – Pages 77 to 87.
 - Waipa DC stormwater – Pages 88 to 100.
 - Waitomo DC stormwater – Pages 101 to 111.

Assessment Cover Sheet

Background on council/s and engagement with the Department

Detail	Commentary
Councils involved in Plan	Waipā District Council, Waitomo District Council, South Waikato District Council, Hauraki District Council, Matamata-Piako District Council and Ōtorohanga District Council.
Number of connections	The number of total connections is 50,070 as at 30 June 2024, and the figure is projected to rise to 57,624 by 30 June 2034. There is a difference between the number of drinking water connections and wastewater connections, however Waipā DC does not list the connections for drinking water and sewage separately past 2025.
DIA comment on council engagement during Plan development process	<ul style="list-style-type: none"> • Since November 2024, the six councils and Taupō DC have continued discussions on a potential joint CCO. The Department received modelling work for the WWDW grouping which was led by CoLab and Nick Boberg. Following this, on 10 December 2024, the six councils and Taupō DC made the decision to sign the Waikato Water Heads of Agreement document. • In January 2025, the Department met with the Chief Executives of the WWDW Councils where a commitment to working together was agreed upon. • In April 2025, Taupō DC resolved to undertake consultation with an enhanced IBU. The remaining six councils in the grouping made decisions to consult on WWDW to deliver drinking and wastewater through a joint CCO as their preferred option, and to continue to deliver stormwater services in-house. The councils indicated they would fully transfer water services delivery and assets to the WSCCO, in stages, from 1 July 2026 to 1 July 2027. <ul style="list-style-type: none"> ○ Waitomo DC consulted their community from 28 March 2025 to 30 April 2025, which indicated 59% support for the CCO model. ○ Ōtorohanga DC consulted their community from 9 April 2025 to 6 May 2025, which indicated 50% support for the CCO model. ○ South Waikato DC consulted their community from 14 April 2025 to 12 May 2025, which indicated roughly 13% support for the CCO model. ○ Hauraki DC consulted their community from 1 May 2025 to 23 May 2025, which indicated 52.8% support for the CCO model.

	<ul style="list-style-type: none"> ○ Matamata-Piako DC consulted their community from 5 May 2025 to 25 May 2025, which indicated 57% support for the CCO model. ○ Waipā DC consulted their community from 9 May 2025 to 9 June 2025, which indicated 23% support for the CCO model. ● On 24 June 2025, Ōtorohanga DC was the first of the six councils to confirm their decision to progress with a multi-council CCO post consultation. Followed by the same decision from Hauraki DC, Matamata-Piako DC, Waipā DC, and South Waikato DC on 25 June 2025, and then Waitomo DC on 30 June 2025. As part of this decision, councillors also agreed that Taupō DC would join WWDW as a limited shareholder for some shared services. ● Taupō DC indicated they would likely remain in discussions with the Waikato Waters Done Well grouping of councils 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. ● The CCO was established in July 2025 with a strategy for South Waikato DC, Waipā DC, and Waitomo DC to transferring in from 1 July 2026, Matamata-Piako DC to transfer in from 1 October 2026 and then Hauraki DC and Ōtorohanga DC transferring in from 1 July 2027. ● The final joint Plan was submitted to the Department on 8 August 2025.
Feedback provided to council prior to submission on draft Plan	Waipā DC provided a draft plan to the Department for review approximately four weeks prior to submitting their final Plan. It included the joint draft Plan for the WWDW grouping. We did not identify any material issues.
Engagement with council during review and assessment process	The Department sought clarifications on stormwater arrangements from Hauraki DC, Waitomo DC and Matamata-Piako DC, and sufficient clarification was provided in assuring requirements were met.
Other background comments	N/A

Assessment Summary – Waikato Waters CCO + Individual Council Stormwater Delivery

Section	Commentary
Confirmation of legislative completeness checklist	Yes – all required components completed.
General comment on Plan	The six councils each prepared a separate Plan with duplicate information about the proposed WSCCO, with different dates for transferral of assets to the WSCCO. The six councils will each retain their stormwater services.
Financial sustainability comment	The proposed WSCCO meets the financial sustainability requirement. All councils are within their whole of council financing limits. All council are maintaining stormwater assets inhouse and will charge for stormwater through rates. The six councils have cash surpluses throughout their WSDP’s for stormwater activity. All councils can deliver stormwater services in a financially sustainable manner with sufficient scope to absorb changes to their capital delivery plans.
Revenue sufficiency	Revenue sufficiency is met in 2032/33, in respect to the 8% FFO measure for a WSCCO of this size. This is within the timeframes set by LGFA. Revenue sufficiency is met for all councils to deliver stormwater in house for the duration of the plan.
Investment sufficiency	Projected water services investment across all three waters is sufficient to meet LOS, regulatory requirements and provide for growth. We recommend that delivery of compliance projects is monitored. Investment sufficiency has also been met for stormwater for all councils.
Financing sufficiency	The proposed financing arrangements for the WSCCO are in accordance with LGFA covenants. The WSCCO has sufficient debt headroom in each year of the plan. Waitomo DC’s debt related to stormwater activities increases at a higher rate than stormwater revenue over the planning period with debt to revenue at 831% by 2033/34. The whole of council maintains sufficient headroom with a net debt to revenue of approximately 60% in 2033/34. All six councils have sufficient borrowing headroom available to deliver stormwater in-house for the duration of the plan.
Overall assessment recommendation	The overall recommendation from the assessment phase is to accept the Plans from all Waikato Water Done Well councils, for both the WSCCO component and the individual stormwater components.

Issues for discussion with Panel

Issue	Description	Recommended treatment
Price path for the WSCCO	The WSCCO is projected to take time to reach a sustainable price path, utilising debt capacity in the interim. This approach increases affordability for consumers but places pressure on debt headroom in the WSCCO's early years. Financial sustainability is maintained despite this.	Note in the acceptance letters to the six councils that the WSCCO's price path will be monitored.
Ring fencing of stormwater activities for all councils	The stormwater sections of the six councils' Plans had limited information on ringfencing for stormwater activities. The councils are all still assessing the best mechanism to deliver stormwater activity, e.g. delivering the service by council resources or contract to Waikato Water or to seek other providers.	Note in the acceptance letters to the six councils that ringfencing of stormwater activities will be monitored.
Waitomo DC stormwater gearing	Waitomo DC's debt related to stormwater activities increases at a higher rate than stormwater revenue over the planning period with debt to revenue at 831% by 2033/34. The whole of council maintains sufficient headroom with a net debt to revenue of approximately 60% in 2033/34.	Note in acceptance letter to Waitomo DC that this will be monitored.

Areas for monitoring

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

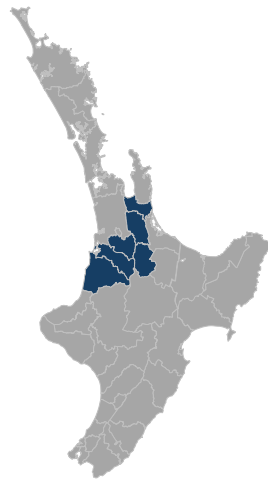
Proposed areas for monitoring	Description
Delivery of capital programme	For five out of the six shareholding councils, total investment in water services has been lower than budget in recent years.
Delivery of compliance projects to meet regulatory requirements	Hauraki DC, Matamata-Piako DC, and Ōtorohanga DC have several compliance upgrade projects planned. This includes Ōtorohanga DC's proposed deregistering of the Arohena Rural Water Scheme which is subject to a community referendum.
South Waikato DC stormwater charges	Stormwater projected charges are forecast to increase rapidly in the first four years – from \$177 in 2024/25 to \$425 in 2027/28. Average charges remain stable from 2027/28 onwards, reaching \$429 in 2033/34. The rapid increase in the first four years allows the stormwater service to break even in 2027/28.
Waipā DC debt limits	Waipā DC has a total council net debt to revenue limit of 350% through LGFA. The total council net debt is forecast to get close to the 350% limit in 2026/27 and 2027/28, before the whole of council net debt to revenue reduces to approximately 180% in 2033/34. Additional funding requirements from other council activities may reduce the funding levels available for stormwater.

PART 1 – ASSESSMENT REPORT FOR WAIKATO WATER DONE WELL WSCCO

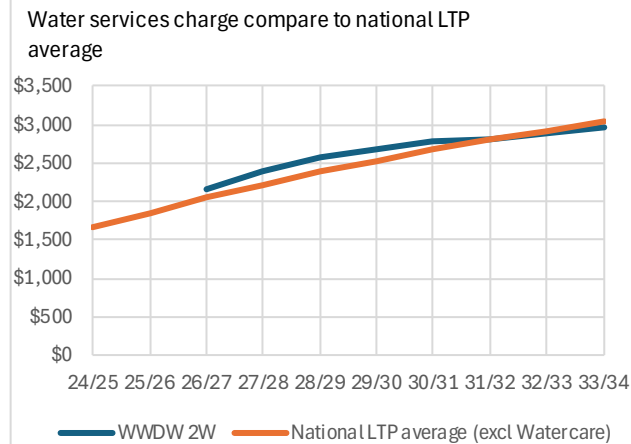
*note this infographic only contains information for Water and Wastewater which are being transferred into the WSCCO

Council summary information

Summary information	Level
Current population	132,121
Drinking water connections	46,764
Waste water connections	42,546
Stormwater connections	NA
High growth council	Partially
10 year population growth	8.7%



Affordability and growth



Item	Year 3	Year 10	10YA
Total charge as % of median income*	2.20%	2.20%	2.31%
Annual price increase	14.30%	2.30%	5.78%
DC collected per new connection (\$)			16,353

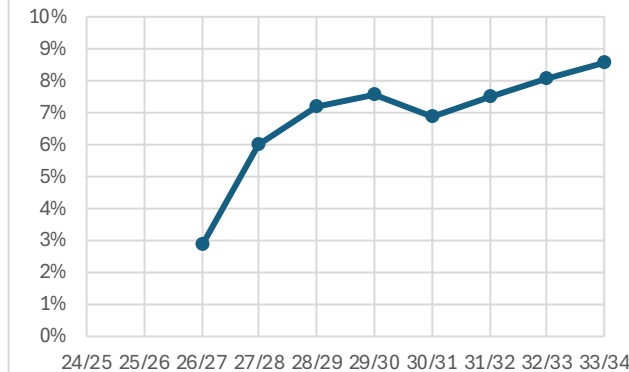
Item	Year 3	Year 10	10YA
Water related net debt to operating revenue %	546%	431%	477%
FFO to debt	2.90%	8.60%	6.85%

Assets, network and compliance

Asset measures	Year 1	Year 10	10YA
Total assets per connection (\$)	25,713	37,227	33,686
Total debt per connection (\$)	7,627	14,149	12,902
Operating costs per connection (\$)	908	1,345	1,203
Age of network (years)	DW	WW	SW
Average age outlined in plan	30	35	37

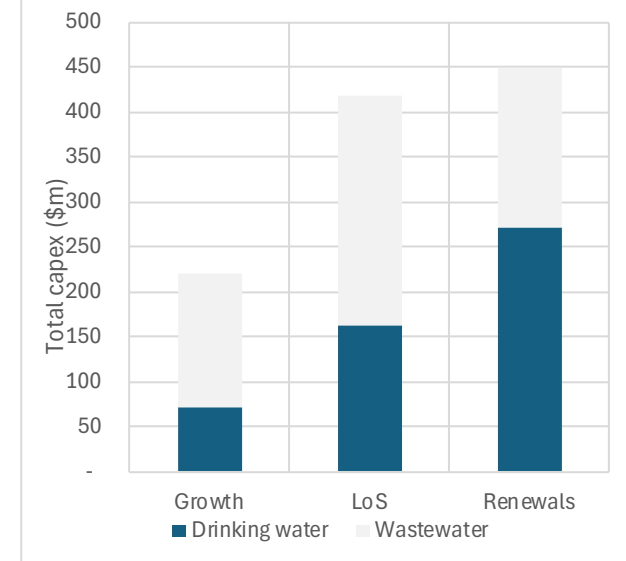
Financing

FFO to Net Debt



Capital expenditure	Category of capital expenditure			Total over 10 years
	Growth	Level of service	Renewals	
Drinking water	72,322	162,198	271,955	506,475
Wastewater	149,206	255,200	177,183	581,589
Total 10 years	221,528	417,398	449,138	1,088,064

Capex spend by type, 10 year total



Network performance	Level
Level of service performance measures achieved	Majority
Water loss rate	21%
Average consumption (L per person per day)	239

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

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	<p>The six councils each confirm that Waikato Waters is projected to meet financial sustainability requirements in accordance with part D.</p> <p>The Plans state that Waikato Waters is the delivery model that will deliver drinking water and wastewater services across each council’s service area in a manner that is financially sustainable by 30 June 2028.</p>	N/A	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment review comment	Assessment	Focus for Panel
<p>The proposed model to deliver water services</p>	<p>The plan proposes a WSCCO with six council shareholders that will transfer their drinking water and wastewater assets to the WSCCO in stages beginning 1 July 2026. The first three councils will join on 1 July 2026, one will join in October 2026 and the remaining two on 1 July 2027.</p> <p>The WSCCO is a limited liability company with the name Waikato Waters Limited (Waikato Waters), incorporated on 24 July 2025. The following councils hold equal shares in Waikato Waters:</p> <ul style="list-style-type: none"> • Hauraki District Council. • Matamata-Piako District Council. • Ōtorohanga District Council. • South Waikato District Council. • Waipā District Council. • Waitomo District Council. • Taupō District Council (Taupō DC is a shareholder in the WSCCO, but it has not committed to transferring responsibility for water services to the company). <p>Waikato Waters is governed by an independent board of directors who will provide governance oversight in relation to the implementation of a detailed establishment plan and adherence to shareholding council obligations to ensure financial sustainability.</p>	<p>The proposed model for the delivery of water services is clearly defined with the six councils transitioning from their current arrangements into Waikato Waters from 1 July 2026 to 1 July 2027.</p> <p>Governance is appropriately addressed in the Plan, and a Shareholder’s Agreement (SHA) has been provided.</p> <p>The arrangements of the proposed WSCCO are consistent with legislative requirements.</p>	<p>Meets requirements</p>	<p>N/A</p>

<p>Implementing the proposed service delivery model</p>	<p>To ensure a smooth and safe transition of each council’s business into the WSCCO, planning for each transfer will be undertaken in accordance with agreed principles and processes. A detailed establishment plan provides the framework for ongoing preparation for the “go-live” date of 1 July 2026.</p> <ul style="list-style-type: none"> • 1 July 2025 to 1 July 2026: water services will be provided and charged for by councils in accordance with council LTPs or Annual Plans. • From a council’s agreed date of transfer to the first water services strategy (no later than 1 July 2027). • By December 2026 (i.e. 6 months before water services strategy due) shareholders will agree on a combined Statement of Expectations to inform the water services strategy. • No later than 1 July 2027: the water services strategy will be adopted by the board for the period up until 30 June 2030 (informed by the Statement of Expectations). <p>Waikato Waters has been incorporated with strong foundational documentation (SHA and constitution) in place.</p> <p>By signing the SHA, the WWDW councils have contractually committed to:</p> <ul style="list-style-type: none"> • Transferring water services on agreed transfer dates. • Completing a transfer agreement with Waikato Waters based on a common template that will be populated in accordance with agreed transfer principles. • Continuing to operate water services until the relevant transfer date in compliance with statutory obligations and its relevant LTP (or latest annual plan). • Between the date of signing the SHA and the date of transfer, engaging with Waikato Waters in relation to specific matters (set out in the Major Decisions schedule to the SHA) so that the Councils and Waikato Waters are operating in accordance with the principle of no surprises. <p>Schedule 3 of the SHA outlines the establishment strategy setting out the establishment objectives and principles to inform the establishment plan.</p>	<p>The implementation plan alongside the supporting information appended to the plan meets the requirements of section 13(2) of the Preliminary Arrangements Act for the establishment of Waikato Waters.</p>	<p>Meets requirements</p>	<p>N/A</p>
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Section in Part A	Summary of content in Plan	Assessment review comment	Assessment	Focus for Panel
	<p>Based on this, a detailed establishment plan has been developed and approved, together with a budget approved by the Shareholder Representative Forum. The establishment plan includes a consistent approach to change management, including governance leadership, impact and readiness assessments, and regular monitoring and management of change, and stakeholder management.</p> <p>An independent establishment board has been appointed to provide governance oversight of establishment plan implementation.</p> <p>An establishment team has been formed with a single focus on ensuring all steps are taken for Waikato Waters to become operational by 1 July 2026.</p> <p>The councils will collect revenue on behalf of the WSCCO, using existing methods, and the revenue will be passed on to the WSCCO. This is a temporary arrangement until the WSCCO implements its own billing system.</p>			
<p>Consultation and engagement undertaken</p>	<p>The six councils each undertook consultation and engagement from April-June 2025. The nature of engagement is included in each Plan. Engagement included a mix of engagement sessions, social media and submission consideration.</p> <ul style="list-style-type: none"> • Waitomo DC consulted their community from 28 March 2025 to 30 April 2025, which indicated 59% support for the CCO model. • Ōtorohanga DC consulted their community from 9 April 2025 to 6 May 2025, which indicated 50% support for the CCO model. • South Waikato DC consulted their community from 14 April 2025 to 12 May 2025, which indicated roughly 13% support for the CCO model. • Hauraki DC consulted their community from 1 May 2025 to 23 May 2025, which indicated 52.8% support for the CCO model. • Matamata-Piako DC consulted their community from 5 May 2025 to 25 May 2025, which indicated 57% support for the CCO model. • Waipā DC consulted their community from 9 May 2025 to 9 June 2025, which indicated 23% support for the CCO model. 	<p>Consultation meets the requirements outlined in the 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
Assurance and adoption of the plan				
Council resolution to adopt the Plan	The six councils each resolved to adopt their Plans.	N/A	Meets requirements	N/A
Certification of the Chief Executive of all six councils	The councils' Plans are each certified by their Chief Executive.	N/A	Meets requirements	N/A

Assessment Report: Part B – Network Performance

Note for the Plan Review Panel: Each WWDW council submitted a separate *Part B – Network Performance* for their respective council, as such the assessment in this section for the WSCCO component (wastewater and drinking water) has been split by council. Note there may be some overlap with the stormwater assessments later in this document.

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	Hauraki DC Serviced areas and populations provided, projected out to 2033/34 with location descriptions. <ul style="list-style-type: none"> • Schemes are described. • Growth areas are listed. • Levels of service and some associated performance results have been provided. • Un-serviced areas are listed. • Good level of information on the network provided. • Growth levels included. 	Information has been supplied on serviced areas, connections and growth.	Meets requirements	N/A
	Matamata-Piako DC <ul style="list-style-type: none"> • Serviced areas and populations provided, projected out to 2033/34 with location descriptions. • Growth areas highlighted. • Un-serviced areas are listed. • LOS and associated performance results have been provided in the 'Statement of regulatory compliance' section. 	Information has been supplied on serviced areas, connections and growth.	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>Ōtorohanga DC</p> <ul style="list-style-type: none"> • Serviced areas and populations provided, projected out to 2033/34 with location descriptions. • The Plan describes the schemes. • LOS and associated performance have been provided. • Investment required has been provided. • Un-serviced areas are described (Aotea for stormwater, and Kāwhia for wastewater). • Minor (3%) population growth forecast. • A number of performance targets were not met. 	<p>The plan notes there are a number of performance targets for Ōtorohanga DC that were not met. Ōtorohanga DC is also working with their community on investigating options for returning a number of water supplies in the Arohena Rural Water Scheme to stock-only supplies, which would see these supplies de-registered and no longer providing potable drinking water. These observations do not limit our ability to recommend acceptance of the Plans.</p>	<p>Meets requirements</p>	<p>N/A</p>
	<p>South Waikato DC</p> <ul style="list-style-type: none"> • Serviced areas and populations provided, projected out to 2033/34. • The Plan describes the schemes: six drinking water supply, four wastewater and four stormwater. • LOS and associated performance have been provided. • Investment required has been provided. • Un-serviced areas described. • Minor population growth forecast. 	<p>Information has been supplied on serviced areas, connections and growth.</p>	<p>Meets requirements</p>	<p>N/A</p>
	<p>Waipā DC</p> <ul style="list-style-type: none"> • Serviced areas and populations provided, projected out to 2033/34. • The Plan describes the schemes. • LOS and associated performance have been provided. • Proposed growth areas have been identified. • Good level of information on the networks provided. • Moderate population increase is discussed. 	<p>Information has been supplied on serviced areas, connections and growth.</p>	<p>Meets requirements</p>	<p>N/A</p>

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>Waitomo DC</p> <ul style="list-style-type: none"> • Serviced areas and populations provided, projected out to 2033/34. • The Plan describes the schemes: four drinking water/wastewater and one stormwater. • LOS and associated performance information was available in the Annual Report. 	<p>Information has been supplied on serviced areas, connections and growth.</p> <p>LOS and performance information were reviewed within their latest Annual Report, and 23 of 30 measures were achieved.</p> <p>These observations do not limit our ability to recommend acceptance of the Plans.</p>	Meets requirements	N/A
<p>Assessment of the current condition and lifespan of the water services network</p>	<p>Hauraki DC</p> <ul style="list-style-type: none"> • Average asset age has been provided: drinking water 25 years, wastewater 32 years, stormwater 37 years. • Condition information percentages are provided, including percentage in poor/very poor condition. • For drinking water/wastewater condition data for above ground assets 13% and 2.2%, for below ground 0.6% and 1.7%. • Of those assets with conditions assessments, 13% of above ground water assets and 55% of wastewater assets are in poor or very poor condition. For below ground assets, 45.6% of drinking water and 38.2% of wastewater assets are in poor or very poor condition. • Stormwater asset information was available in the Infrastructure Strategy. • Critical assets described. 	<p>Hauraki DC</p> <p>Sufficient information provided. Assets are relatively new (25-37 years). A large proportion of the assets that have been assessed are either in poor or very poor condition. The renewals programme has been developed accordingly.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>Matamata-Piako DC</p> <ul style="list-style-type: none"> Average asset age has been provided: drinking water 33 years, wastewater 36.8 years, stormwater 33.5 years. Condition information percentages are provided (100% for all assets), including percentage in poor/very poor condition. Critical assets noted as being 'unreliable' for drinking water and wastewater, 'not identified' for stormwater. 	<p>Matamata-Piako DC</p> <p>Good condition information has been provided across all assets. Average age of assets is fairly new (approximately 35 years).</p>	Meets requirements	N/A
	<p>Ōtorohanga DC</p> <ul style="list-style-type: none"> Average asset age has been provided: drinking water 25 years, wastewater 31.2 years, stormwater 24.65 years. Condition information percentages are provided, including percentage in poor/very poor condition. For drinking water 7% of above ground and 7.8% of below ground assets are in poor or very poor condition. For wastewater 1.5% of above ground and 0.4% of below ground assets are in poor or very poor condition. For stormwater no above ground and 0.9% of below ground assets are in poor or very poor condition. Critical assets have been identified and listed. 	<p>Ōtorohanga DC</p> <p>Sufficient information provided. Assets are relatively new (25-31 years). Renewals are based on condition and expected life. Detailed discussion on critical assets provided.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>South Waikato DC</p> <ul style="list-style-type: none"> • Basic asset age has been provided. • The plan notes that no condition information for the stormwater network exists. Limited information for other networks. • Critical assets have been identified but not listed. 	<p>South Waikato DC</p> <p>Older asset portfolio (47-56 years). Complete condition information for below ground assets, limited information for above ground.</p> <p>These observations do not limit our ability to recommend acceptance of the Plans.</p>	Meets requirements	N/A
	<p>Waipā DC</p> <ul style="list-style-type: none"> • Breakdown of asset age has been provided. • Approximately 70% of wastewater/drinking water assets have condition grades. • Critical assets have been identified but not listed. 	<p>Waipā DC</p> <p>Sufficient information provided on assets. Condition grade completeness variable.</p>	Meets requirements	N/A
	<p>Waitomo DC</p> <ul style="list-style-type: none"> • Description of current in-house delivery mechanism (including outsourced sampling and trade waste services) provided. • Breakdown of asset age and condition has been provided. Average life: drinking water 25 years, wastewater 21 years, stormwater 34 years <ul style="list-style-type: none"> • Critical assets have been identified but not listed. 	<p>Waitomo DC</p> <p>Sufficient information provided. Assets are fairly new (21-34 years).</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Asset management approach	Hauraki DC <ul style="list-style-type: none"> Description of current in-house delivery mechanism (including outsourced sampling and trade waste services) provided. Proposed future delivery model to transfer to Waikato Waters. Existing asset management systems are listed. Asset management maturity results are included, no date provided. There is reference to the asset management policy. 	<p>Each council has detailed their existing arrangements for asset management. There is limited information provided on the future asset management approach which will be the responsibility of Waikato Water and will likely fall within the scope of the implementation plan.</p> <p>Stormwater is to remain with the councils, and they are confirming how they are going to deliver the stormwater activity with their arrangement with Waikato water.</p>	Meets requirements	N/A
	Matamata-Piako DC <ul style="list-style-type: none"> Description of current in-house delivery mechanism provided. Proposed future delivery model outlined. Existing asset management systems are listed. No asset management maturity results provided, completed in 2021. There is reference to the Infrastructure Strategy key principles. 		Meets requirements	N/A
	Ōtorohanga DC <ul style="list-style-type: none"> Description of current in-house delivery mechanism provided, includes out-sources shared services for sampling. Proposed future delivery model outlined. Existing and proposed asset management systems are listed. Maturity assessment completed in 2025; results provided. There is reference to the Infrastructure Strategy. No asset management policy. 		Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>South Waikato DC</p> <ul style="list-style-type: none"> • Description of current in-house delivery mechanism provided. • Proposed future delivery model outlined. • Asset management systems are listed. • Maturity assessment completed in 2025; results provided. • Asset management policy is referenced. 		Meets requirements	N/A
	<p>Waipā DC</p> <ul style="list-style-type: none"> • Description of in-house delivery mechanism discussed. • Proposed future delivery model outlined. • Asset management systems listed. • Maturity assessment completed in September 2024; results provided. 		Meets requirements	N/A
	<p>Waitomo DC</p> <ul style="list-style-type: none"> • Description of in-house delivery mechanism discussed. • Proposed future delivery model outlined. • Asset management systems are listed. • No asset management maturity assessment information provided. • Asset Management Policy is noted. 		Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Statement of regulatory compliance – Drinking water	Hauraki DC <ul style="list-style-type: none"> Hauraki DC is not compliant for E.coli, protozoa or chemical compliance. No boil water notices in place. 	Hauraki DC <p>Hauraki DC has a programme of targeted investments and operational improvements underway to address the compliance issues. The initiatives are designed to bring treatment plants and wider networks into alignment with both current and anticipated regulatory requirements.</p> <p>Significant projects are listed in the additional information section.</p> <p>Following clarification from Hauraki District Council regarding meeting the DWQAR, the Council outlined that plants are capable of meeting compliance, and instances of non-compliances were technical in nature due to data loss and have been rectified. On this basis the requirements are met.</p> <p>We recommend that the implementation of compliance upgrade projects is monitored during implementation for Hauraki DC.</p>		
	Matamata-Piako DC <ul style="list-style-type: none"> Matamata-Piako DC is not compliant with the DWQAR. Two permanent boil water notices are in place. 	Matamata-Piako DC <p>Projects identified to achieve compliance with DWQAR. We have requested further information from the Council regarding meeting DWQAR. Following confirmation from Matamata-Piako DC, Hineura is expected to be completed by 2026/27, and the balance is for ongoing improvements. Compliance upgrade projects have been budgeted.</p> <p>We recommend that the implementation of compliance upgrade projects is monitored during implementation for Matamata-Piako DC.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>Ōtorohanga DC</p> <ul style="list-style-type: none"> Ōtorohanga DC is partially compliant for E. coli and protozoa. Three permanent boil water notices are in place (Kahorekau, Huirimu, Taupaki). The Council plans to de-register these supplies and return to stock-only, subject to a consultation process. 	<p>Ōtorohanga DC</p> <p>DWQAR compliance projects are listed, with timeframes in the significant projects section.</p> <p>Council has confirmed availability of funding to upgrade the Kahorekau, Huirimu, and Taupaki plants if they are not de-registered. De-registering will be funded via operations, outcome is unknown.</p> <p>Ōtorohanga, Kāwhia and Tihiroa are all capable of meeting compliance. Further refinement of the processes is needed for Tihiroa and Kāwhia plants to meet protozoal requirements.</p> <p>We recommend that the implementation of compliance upgrade projects is monitored during implementation for Otorohanga DC.</p>		
	<p>South Waikato DC</p> <ul style="list-style-type: none"> South Waikato DC is compliant for E. coli but not protozoa. No boil water notices. 	<p>South Waikato DC</p> <p>The 2023/24 compliance with the DWQAR for protozoa is provided.</p> <p>Non-compliances are due to significant data loss. The Council anticipates this will be resolved once the Scada/telemetry project is completed, which is underway.</p> <p>Protozoa non-compliance is currently being addressed by upgrades.</p>	Meets requirements	N/A
	<p>Waipā DC</p> <ul style="list-style-type: none"> All of Waipā’s supplies and networks are compliant with the DWQAR. No boil water notices. 	<p>Waipā DC</p> <p>Firefighting insufficiency is addressed in LTP.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>Waitomo DC</p> <ul style="list-style-type: none"> • Drinking water is compliant for E. coli and protozoa. • No boil water notices. • Treatment plants and distribution zones did not meet the DWQAR monitoring and compliance rules due to sampling frequency and results relating to some bacteria and protozoa testing over the 2023/24 reporting period. 	<p>Waitomo DC</p> <p>We requested further information from the Council regarding sampling. Response from council provided sufficient information for requirements to be met.</p>	Meets requirements	
<p>Statement of regulatory compliance – Resource consents</p>	<p>Hauraki DC</p> <ul style="list-style-type: none"> • 17 significant drinking water consents, 14 wastewater (11 under section 124 of the Resource Management Act) consents and four stormwater consents (all under section 124). • Four consents to expire in the next 10 years. Seven active consent applications, including a comprehensive stormwater consent. • Two significant risk non-compliance, eight moderate risk non-compliance, and four low risk non-compliance. • One compliance warning has been issued in the past 24 months. 	<p>Hauraki DC</p> <p>Funding is allocated for Paeroa WWTP upgrades to address the compliance warning, to be completed mid-2026.</p> <p>Waihi WWTP is also undergoing significant operational improvements to address historical non-compliance issues.</p> <p>We recommend that the implementation of the compliance upgrade projects for Hauraki DC are monitored through implementation.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>Matamata-Piako DC</p> <ul style="list-style-type: none"> • 18 significant drinking water consents, 14 wastewater consents and four stormwater consents. • 27 consents to expire in the next 10 years. Three active consent applications. • One significant risk non-compliance, eight moderate risk non-compliance, and 28 low risk non-compliance. • 10 compliance warnings have been issued in the past 24 months. 	<p>Matamata-Piako DC</p> <p>Projects identified to address compliance issues.</p> <p>We requested clarification from council on the consent requirement warnings – Matamata-Piako DC confirmed they are addressing the watertake non-compliances through the consenting process, which will be lodged in 2025. On this basis requirements are met.</p> <p>We recommend that the implementation of the compliance upgrade projects for Matamata-Piako DC are monitored through implementation.</p>	Meets requirements	N/A
	<p>Ōtorohanga DC</p> <ul style="list-style-type: none"> • There are nine significant drinking water consents, five wastewater consents and one stormwater consent. • Seven consents to expire in the next 10 years. Two active consent applications. • Five moderate risk non-compliance, and four low risk non-compliance. • Two compliance warnings and one abatement notice have been issued in the past 24 months. 	<p>Ōtorohanga DC</p> <p>The wastewater warning/abatement notice has been addressed, with a plan provided to the regional council and projects identified and funded for 2024/25 and 2025/26 to address the issues.</p>	Meets requirements	N/A
	<p>South Waikato DC</p> <ul style="list-style-type: none"> • Seven significant drinking consents, four wastewater consents and 15 stormwater consents. • Nine consents to expire in the next 10 years. Four active consent applications. • One warning (Tokoroa WWTP discharge) has been issued in the past 24 months. • Issues and risk management approach are outlined. 	<p>South Waikato DC</p> <p>Budgets are provided for the water take consent renewals.</p> <p>Council is working with Waikato Regional Council to improve the level of compliance with consent conditions and respond to the formal warning received for Tokoroa WWTP discharge on 4 September 2024. Projects funded for Tokoroa WWTP upgrades 2024/25 to 2027/28.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>Waipā DC</p> <ul style="list-style-type: none"> • Waipā DC currently has 18 strategic resource consents across the district for stormwater, wastewater and water supply. Five consents have expired. • For strategic consents there are four non-compliant (low risk) and one non-compliant (moderate risk). • Expiry dates have been provided. • The only active application is for the comprehensive stormwater discharge. 	<p>Waipā DC</p> <p>The five expired consents are stormwater consents. They will be replaced by being combined into a District Wide Comprehensive Stormwater Consent.</p>	Meets requirements	N/A
	<p>Waitomo DC</p> <ul style="list-style-type: none"> • 23 consents across the district for three waters services. • 12 consents expired, all under section 124 of the Resource Management Act. • Six consents to expire in the next 10 years. 11 active applications. • Seven moderate risk non-compliances, and 12 low risk non-compliances. • One warning and one abatement notice have been received. 	<p>Waitomo DC</p> <p>Additional funding has been provided for in the LTP to address the stormwater non-compliances.</p> <p>The Council is delaying wastewater consent replacements until the new regulatory wastewater standards are finalised.</p> <p>Following a request for clarification on actions being taken to address compliance warnings and abatement notice, Waitomo provided additional information outlining the abatement notice breaches have been resolved. On this basis requirements have been met.</p>	Meets requirements.	
Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements	<p>Hauraki DC</p> <ul style="list-style-type: none"> • Proposed capex has been provided. Increasing across the period of the Plan, apart from the last year, peaking at \$157 million in 2032/33. • No stormwater demand funding. Only first two years for wastewater additional demand. • Significant projects outlined but not listed, included in separate section. 	<p>Hauraki DC</p> <p>Currently the Council has a significant programme of capital works for water assets. This is required to meet existing regulatory requirements as well as replacing existing assets.</p> <p>Many of the projects in the first 10 years address customer concerns in relation to the clarity of water and consistency of supply. Other projects focus on achieving regulatory requirements, renewal of aging assets and preparing for the future.</p>	Meets requirements.	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>Matamata-Piako DC</p> <ul style="list-style-type: none"> Proposed capex has been provided. 	<p>Matamata-Piako DC</p> <p>Capital projects are mainly related to ongoing stormwater reticulation and treatment device renewals, resource consent related treatment upgrades, and long-term planning for Te Aroha and Matamata.</p>	Meets requirements.	N/A
	<p>Ōtorohanga DC</p> <ul style="list-style-type: none"> Proposed capex has been provided, with LOS/renewal strategy descriptions. Compliance has been the focus for the past three years. Significant projects included in separate section. 	<p>Ōtorohanga DC</p> <p>Ōtorohanga DC use a three-year planning cycle. Capital expenditure process to improve LOS is discussed.</p> <p>Significant investment in renewals across all three waters for the duration of the plan.</p> <p>No LOS expenditure for wastewater due to previous significant investment.</p>	Meets requirements.	N/A
	<p>South Waikato DC</p> <ul style="list-style-type: none"> Proposed capex has been provided, with renewal strategy description. Significant projects are listed, included in separate section. Renewal expenditure increased as noted to manage backlog. 	<p>South Waikato DC</p> <p>The capital expenditure for South Waikato DC will ensure compliance with anticipated regulatory requirements and meet the demands of growth and does not diminish existing LOS.</p> <p>Renewals investment requirements are lumpy over time, reflecting the uneven pattern of historic development.</p> <p>Over the 10-year period, significant increases in renewals are forecast. Depreciation levels are also increasing as new assets are created due to levels of service improvements and growth.</p>	Meets requirements.	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	Waipā DC <ul style="list-style-type: none"> Proposed capex has been provided as per LTP. Renewal expenditure increased as noted to manage backlog. Significant projects are included in separate section. 	Waipā DC Detailed explanation of expenditure provided, focussed on growth and renewals. An allowance has been made for higher consenting requirements. Asset maintenance and renewals strategy is provided, linked to LOS and cost-effective investment.	Meets requirements.	N/A
	Waitomo DC <ul style="list-style-type: none"> Table of capex is provided. No capex is allocated to meet additional demand for duration of the plan across all three waters. Significant projects are included in separate section. 	Waitomo DC There are wastewater asset renewals with additional expenditure included for plant upgrades for wastewater schemes to meet the anticipated increase in compliance of the new resource consent, e.g. stormwater design and construction of stormwater attenuation ponds for Te Kuiti.	Meets requirements.	N/A
Historical delivery against planned investment	Hauraki DC <ul style="list-style-type: none"> Renewal delivery varies between 97% - 105%. Total investment in water services averages 118% delivery against budget in the last two years. 	Hauraki DC A new (2018) Project Management Office division has improved delivery and reporting. It has delivered large projects. Centralised regional project management capability is a key feature of Waikato Water Done Well Stage 1 and will help to address any resourcing risk.	Meets requirements.	N/A
	Matamata-Piako DC <ul style="list-style-type: none"> Renewal delivery varies between 63% - 147% of planned investment (three-year average is 92.8%). Total investment in water services averages 77.3% delivery against budget in the last three years. 	Matamata-Piako DC Matamata-Piako DC has provided a list of actions undertaken to improve its deliverability of capital works.	Meets requirements.	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	<p>Ōtorohanga DC</p> <ul style="list-style-type: none"> Renewal delivery varies between 87% - 354% of planned investment (three-year average is 144%). Total investment in water services averages 96% delivery against budget in the last three years. 	<p>Ōtorohanga DC</p> <p>Significant investment in the 2021-24 LTP with some of the larger projects carrying over several years. Ōtorohanga views capital delivery as a 3-year programme across a LTP cycle.</p> <p>Centralised regional project management capability is a key feature of Waikato Water Done Well Stage 1 and will help to address any resourcing risk</p>	Meets requirements.	N/A
	<p>South Waikato DC</p> <ul style="list-style-type: none"> Renewal delivery varies between 59% - 108% of planned investment. Total investment in water services averages 91% delivery against budget in the last three years. 	<p>South Waikato DC</p> <p>South Waikato DC has delivered 88% of its capital delivery programme in the last three years.</p> <p>Delays occur particularly during engagement and consenting phases.</p> <p>Centralised regional project management capability is a key feature of Waikato Water Done Well Stage 1 and will help to address any resourcing risk.</p>	Meets requirements.	N/A
	<p>Waipā DC</p> <ul style="list-style-type: none"> Delivery of renewal is consistently above 100% of those planned. Total investment in water services averages 90% delivery against budget in the last seven years. Renewal strategy is outlined. An increase in investment has been allowed for in the later part of the draft LTP to mitigate high backlog. 	<p>Waipā DC</p> <p>Underspend largely relates to growth projects that are dependent on developer timing.</p>	Meets requirements.	N/A
	<p>Waitomo DC</p> <ul style="list-style-type: none"> Delivery of renewal is at 100% over last three years. Total investment in water services averages 93% delivery against budget in the last three years. Renewal strategy is outlined. 	<p>Waitomo DC</p> <p>Centralised regional project management capability is a key feature of Waikato Water Done Well Stage 1 and will help to address any resourcing risk.</p>	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	Councils will charge on behalf of the WSCCO until the WSCCO’s charging system is in place. This will be a short-term arrangement. The plan does not identify any new charging mechanisms as these will be an operational matter for the WSCCO.	The information provided about charging and billing arrangements is sufficient.	Meets requirements.	N/A
Water services revenue requirements and sources	<p>The WSCCO’s primary source of revenue will be user charges. The six councils currently use rates and some user charges.</p> <p>Development contributions will be a key source of funding rising from \$5.8m to \$24.4m over the planning period. Development contributions will largely be collected in the Waipā District service area, which is a high-growth council.</p> <p>Charges for drinking water and wastewater increase by 14.3% in 2026/27, then by 10.7% in 2027/28 before falling to 7.3% in 2028/29, 4.6% in 2029/30, 3.5% in 2030/31, 1.2% in 2031/32, 2.3% in 2032/33 and 2.3% in 2033/34. These figures exclude commercial connections.</p>	<p>Sources of revenue are identified in the Plan.</p> <p>The price path described provides room for adjustment if needed, as the price increases are relatively low in the last four years of the planning period.</p>	Meets requirements.	Yes
Existing and projected commercial and industrial user charges	Each of the six councils provided information on existing charges.	<p>Sufficient detail has been provided.</p> <p>The comparison of charges is challenging as the comparisons are done with individual council averages and then WSCCO averages.</p>	Meets requirements.	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
The affordability of projected water services charges for communities	Water charges are projected to be between 2.2% and 2.4% of household income. Starting at 2.2%, in 2026/27 then rising to 2.4% in 2028/29 before falling back to 2.2% in 2033/34.	Sufficient information regarding affordability has been provided, and the proposed charges fall within benchmark levels relative to median income.	Meets requirements.	N/A
Funding and financing arrangements				
Water services financing requirements and sources	<p>The councils expect that all long-term financing will be sourced from LGFA.</p> <p>Establishment and initial operating costs will be financed by short-term debt provided by the shareholding councils until the WSCCO's financing arrangements are in place.</p> <p>Internal financing arrangements in the six councils will be turned into debt and transferred to the WSCCO.</p>	The WSCCO will have more than 50,000 connections and will need to have a FFO of 8% to achieve optimum borrowing headroom. The WSCCO achieves a FFO of 8% in 2032/33 which is within LGFA's five-year phase in period.	Meets requirements.	N/A
Internal borrowing arrangements	<p>The financial strategy for the WSCCO will be decided by the board and senior management, this will cover internal borrowing arrangements.</p> <p>From the date of transfer, councils will have no internal borrowing arrangements related to water activities.</p>	The information provided is sufficient.	Meets requirements.	N/A
Determination of debt attributed to water services	The debt to be transferred to the WSCCO has been identified by each council.	The debt attributed to water services is appropriate. Debt is consistently applied through the Councils' Funding Impact Statements through to the WSCCO, and within the WSCCO.	Meets requirements.	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Insurance arrangements	<p>The Plans cover current and future insurance methods.</p> <p>The six shareholding councils are part of an insurance collective. The councils' current infrastructure insurance renewal cycle is 1 November to 31 October.</p> <p>As part of the upcoming renewal process WWDW is named on infrastructure policies, to take effect as the water infrastructure assets of each council are transferred to the company. Insurance premiums will be met by the councils until the relevant date of transfer and by the WSCCO post-transfer.</p>	<p>This arrangement meets requirements.</p>	<p>Meets requirements.</p>	<p>N/A</p>

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 Plans include confirmation that Waikato Waters is financially sustainable.	Sufficient information is provided.	Meets requirements.	N/A
Actions required to achieve financially sustainable delivery of water services	The actions required are covered in the Plans. Modest increases are planned.	Development contributions are projected to rise significantly and the WSCCO will need to ensure a development contributions policy is developed and adopted.	Meets requirements.	N/A
Risks and constraints to achieving financially sustainable delivery of water services	The Plans identify the capacity of the “supplier market” to meet the demands of large WSCCO as a risk. The Plans identify the risk of unforeseen infrastructure costs.	The risks are moderate and relate to items outside the councils’ control. The price path for services indicates that the WSCCO has reasonable flexibility to deal with risks.	Meets requirements.	N/A
Assessment of revenue sufficiency				
Projected water services revenues cover the projected costs of delivering water services	The WSCCO operates at a loss for the first two years, 2026/28 and 2027/28. Drinking water operates at a surplus rising from \$460,000 to \$10.4 million. Wastewater operates at a loss for five out of the eight years. Starting at \$13.5 million, \$8.9 million then \$2.2 million.	Wastewater is underfunded through the period of the plan, but the WSCCO has borrowing capacity to support the funding levels.	Meets requirements.	N/A
Average projected charges for water services over FY2024/25 to FY2033/34	Water supply charges rise from \$1126 in 2026/27 to \$1521 in 2033/34. Wastewater charges rise from \$1041 in 2026/27 to \$1434 in 2033/34.	The projected increases in charges are moderate.	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 WSCCO operates at a loss in the first two years. Then drinking water operates at a surplus rising from \$460,000 to \$10.4 million. Wastewater operates at a loss for 5 out of the 8 years. Starting at \$13.5 million, \$8.9 million then \$2.2 million.	Wastewater services are moderately under-priced but meets requirements as the WSCCO has the capacity to raise prices.	Meets requirements.	N/A
Projected operating cash surpluses for water services	Operating cash surpluses increase from \$18,822 to \$76,271 over the eight years of the plan.	The information provided is 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	The Plans provide a table showing expenditure consistently above depreciation. Peak expenditure is in 2029.	Councils' investment plans are sufficient to meet level of services, growth and regulatory requirements as identified in their LTP's, noting that there are individual compliance issues which have been identified and addressed in the individual council plans.	Meets requirements.	N/A
Renewals requirements for water services	The Asset Sustainability Ratio varies throughout the forecast period. The ratio is negative in later years of the planning period.	The negative ratios are a product of how depreciation on new infrastructure has been modelled. In practice, it is likely expenditure on renewals would increase beyond that forecast. The operating cash surplus noted earlier would allow this to occur.	Meets requirements.	N/A
Total water services investment required over 10 years	The Plans show capital expenditure consistently exceeding depreciation.	Total capital expenditure reflects the councils' best estimates of the capital expenditure required to meet anticipated regulatory requirements, as reflected in their latest LTPs or Annual Plans.	Meets requirements.	N/A
Average remaining useful life of network assets	There is a small reduction in the ratio over the planning period: 74% - 69%.	This reflects the relatively young age of the assets.	Meets requirements.	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Assessment of financing sufficiency				
Confirmation that sufficient funding and financing can be secured to deliver water services	The Councils state that they will transfer drinking water and wastewater activities to Waikato Waters to ensure a financially sustainable delivery of those services. The model assumes efficiency peaking at 15% for operations, and 15% for capex, and a 20% for catchment related consenting. The models also include a “spend to save” budget of \$35 million.	Revenue settings include moderate increases and reflect sustainable revenue. Sustainable revenue based on FFO is reached in 2032/33. In 2028 the FFO ratio is 7.2% Given LGFA have advised 5 years to reach the expected ratios the CCO reaches the appropriate levels in time to be regarded as financially sustainable by 2028.	Meets requirements.	N/A
Projected council borrowings against borrowing limits	Does not apply to the CCO.	Does not apply to the CCO.	N/A	N/A
Projected water services borrowings against borrowing limits	Debt is projected to rise from 607m to 815m by 2033/34. This is below debt limits by between \$38M to \$131m. Net debt to operating revenue is 473% in 2027/28 falling to 431% in 2033/34.	Debt headroom is low in the early years of the planning period but still meets requirements.	Meets requirements.	Yes
Projected borrowings for water services	Debt is projected to increase from \$607m to \$815m by 2033/34.	Projected borrowings are within existing limits.	Meets requirements.	N/A
Borrowing headroom/(shortfall) for water services	The WSCCO’s borrowing headroom rises from \$38m to \$131m.	Sufficient borrowing headroom is available.	Meets requirements.	N/A
Free funds from operations	FFO ranges between \$38m and \$30m for the first four years of the planning period to \$131m by 2033/34. The FFO to debt ratio is in line with existing LGFA covenants.	FFO to debt ratio is in line with existing LGFA covenants.	Meets requirements.	N/A
Assessment of financing sufficiency	The proposed financing arrangements for the WSCCO are in accordance with LGFA covenants.	The WSCCO has sufficient debt headroom in each year of the plan.	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	Statements for drinking water and wastewater for the years that each council retains services followed by Statement for Waikato Water. Stormwater for each council is shown for 10 years.	N/A	N/A
Projected statement of comprehensive revenue and expense	Statements for drinking water and wastewater for years that each council retains services followed by Statement for Waikato Water. Stormwater for each council is shown for 10 years.	N/A	N/A
Projected statement of cashflows	Statements for drinking water and wastewater for years that each council retains services followed by Statement for Waikato Water. Stormwater for each council is shown for 10 years.	N/A	N/A
Projected statement of financial position	Statements for drinking water and wastewater for years that each council retains services followed by Statement for Waikato Water. Stormwater for each council is shown for 10 years.	N/A	N/A

Assessment Report: Water Services Delivery Plan – Additional information

Additional information	Summary of content in Plan	Assessment Review Comment	Focus for Panel
Additional disclosures to support Plan	Each council includes the shareholders agreement relating to Waikato Waters.	No comment.	N/A
Significant capital projects	Each council lists significant capital projects across all three waters in the implementation plan.	No comment.	N/A
Key issues, constraints, risks, and assumptions	Each council outlines the risks and assumptions relating to the implementation of Local Water Done Well – these appear to be consistent across most Plans.	No comment.	N/A

PART 2 – ASSESSMENT REPORTS FOR INDIVIDUAL COUNCIL STORMWATER DELIVERY

Assessment Report – Hauraki District Council

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	Outlined an IBU model that will deliver stormwater services across Hauraki DC’s service area in a manner that is financially sustainable by 30 June 2028. The financial sustainability projected by Hauraki DC is supported by detailed financial modelling, a long history of stormwater delivery, and detailed information included in Parts B and Part D of this Plan.	Financial sustainability confirmed.	Meets requirements.	N/A
The proposed model to deliver water services	Hauraki DC is retaining the stormwater delivery service and will continue to perform this service in-house using a dedicated asset engineer and service delivery team.	Proposed model described.	Meets requirements.	N/A
Implementing the proposed service delivery model	Stormwater risk management will be developed over the next three years and implemented as required by 1 July 2028.	Implementation approach noted.	Meets requirements.	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Consultation and engagement undertaken	<p>Numerous options were considered as part of the initial options analysis. Options were narrowed down to two, one of which was chosen as the preferred option. The Local Water Done Well consultation proposal was consulted on during May 2025. The two options presented as part of the consultation were:</p> <ol style="list-style-type: none"> 1. Option 1 – Waikato Water Done Well (preferred); and 2. Option 2 – Enhanced status quo with regulation. <p>Hauraki DC received digital/written feedback from 37 individuals and one organisation and deliberated on feedback received in June 2025. Of those submitters, 83% agreed with Waikato Water Done Well being the preferred option.</p>	Consultation approach identified.	Meets requirements	N/A
Assurance and adoption of the plan				
Council resolution to adopt the Plan	The plan was adopted by Hauraki DC on 30 July 2025, resolution provided.	N/A	Meets requirements	N/A
Certification of the Chief Executive of Hauraki DC	The Chief Executive has certified the Plan.	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>Serviced areas and populations provided, projected out to 2033/34 with location descriptions.</p> <p>Schemes are described.</p> <p>Growth areas are listed.</p> <p>Levels of service and some associated performance results have been provided.</p> <p>Un-serviced areas are listed.</p> <p>Good level of information on the network provided.</p> <p>Growth levels included.</p>	Information has been supplied on serviced areas, connections and growth.	Meets requirements.	N/A
Assessment of the current condition and lifespan of the water services network	<p>Average asset age has been provided: drinking water 25 years, wastewater 32 years, stormwater 37 years.</p> <p>Condition information percentages are provided, including percentage in poor/very poor condition.</p> <p>For drinking water/ wastewater the number of assets with condition data is, for above ground assets 3.0%/2.2% respectively, and for below ground assets is 0.6%/1.7% respectively.</p> <p>Of those assets with conditions assessments, 13% of above ground water assets and 55% of wastewater assets are in poor or very poor condition. For below ground assets, 45.6% of drinking water and 38.2% of wastewater assets are in poor or very poor condition.</p> <p>No condition information for stormwater assets.</p> <p>Critical assets described.</p>	<p>Sufficient information provided. Assets are relatively new (25-37 years). A large proportion the assets that have been assessed are either in poor or very poor condition. The renewals programme has been developed accordingly.</p> <p>There is no condition information provided for stormwater assets, however this does not impact our ability to recommend acceptance of the plan.</p>	Meets requirements.	N/A
Asset management approach	Discussed in the WSCCO section.	Discussed in the WSCCO section.	Meets requirements.	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Statement of regulatory compliance – Resource consents	<p>17 significant drinking water consents, 14 wastewater (11 under section 124 of the Resource Management Act) consents and four stormwater consents (all under section 124).</p> <p>Four consents are expected to expire in the next 10 years. Seven active consent applications, including a comprehensive stormwater consent.</p> <p>Two significant risk non-compliance, eight moderate risk non-compliance, and four low risk non-compliance. One compliance warning has been issued in the past 24 months.</p>	<p>Funding is allocated for Paeroa WWTP upgrades to address the compliance warning, to be completed mid-2026.</p> <p>Waihī WWTP is also undergoing significant operational improvements to address historical non-compliance issues.</p> <p>We recommend monitoring implementation of the compliance upgrade projects.</p>	Meets requirements.	N/A
Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements	<p>Proposed capex has been provided. It is increasing across the period of the Plan, apart from the last year, peaking at \$157 million in 2032/33.</p> <p>No stormwater demand funding. Only first two years for wastewater additional demand.</p> <p>Significant projects outlined but not listed, included in separate section.</p>	<p>Currently the Council has a significant programme of capital works for water assets. This is required to meet existing regulatory requirements as well as replacing existing assets.</p> <p>Many of the projects in the first 10 years address customer concerns in relation to the clarity of water and consistency of supply. Other projects focus on achieving regulatory requirements, renewal of aging assets and preparing for the future.</p>	Meets requirements.	N/A
Historical delivery against planned investment	<p>Renewal delivery varies between 97% - 105%.</p> <p>Total investment in water services averages 118% delivery against budget in the last two years.</p>	<p>A new (2018) Project Management Office division has improved delivery and reporting and delivered large projects.</p> <p>Centralised regional project management capability is a key feature of Waikato Water Done Well Stage 1 and will help to address this resourcing risk.</p>	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	Stormwater charges are collected through a targeted rate and the general rate. 85% of funding through the targeted rate and 15% funding through the general rate. Current charging and billing mechanisms are to be retained.	Charging and billing arrangements are sufficient for an IBU.	Meets requirements	N/A
Water services revenue requirements and sources	Future revenue requirement stated as per the 2024-34 Long-term Plan. Sources of revenue are stated.	Revenue requirements and sources are appropriate.	Meets requirements	N/A
Existing and projected commercial and industrial users' charges	Commercial charges are based on the rating mechanism for all stormwater revenue.	No specific examples of stormwater charges for commercial connections are given beyond the rating revenue examples for each area.	Meets requirements	N/A
The affordability of projected water services charges for communities	Stormwater stated as an average of 0.3% of median household income over the Plan.	Stormwater does not have an affordability guideline. The stated affordability does not fluctuate over the Plan.	Meets requirements.	N/A
Funding and financing arrangements				
Water services financing requirements and sources	Financing will be provided through LGFA and BNZ at a whole of council level. Cash and working capital requirements outlined in the Plan. Projected borrowings provided by catchment.	Financing requirements and sources identified.	Meets requirements.	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Internal borrowing arrangements	Hauraki DC currently operates an internal treasury function across all activities. Cash surpluses from some activities will be used to lend to other activities that need to borrow. Hauraki DC staff review the audited figures and incorporate capital and operating cash deficits/surpluses from each activity into the debt balance of that activity. Interest is charged or paid based on the debt balance of each activity.	Internal borrowing arrangements are identified.	Meets requirements.	N/A
Determination of debt attributed to water services	The stormwater activity does not have any debt.	Debt position for stormwater is identified.	Meets requirements.	N/A
Insurance arrangements	Insurance for stormwater assets is provided through the Local Authority Protection Programme. This is expected to continue.	Insurance for stormwater is currently considered with three waters assets. This will be separated when Hauraki DC joins Waikato Waters.	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 confirms that stormwater services will be financially sustainable for Hauraki DC by 30 June 2028.	This is sufficient.	Meets requirements.	N/A
Actions required to achieve financially sustainable delivery of water services	Hauraki DC will deliver stormwater services as per the 2024-34 LTP.	The Plan identifies required actions.	Meets requirements.	N/A
Risks and constraints to achieving financially sustainable delivery of water services	The greatest risk to the delivery of services is the high degree of uncertainty for some of the expenditure that will be required to meet higher environmental standards and service level changes. Hauraki DC's existing stormwater network does not allow for climate change, and it is a financial challenge to upgrade/renew the network to accommodate this. There is also increased pressure to treat stormwater from the Council's public networks.	The Plan identifies risks.	Meets requirements.	N/A
Assessment of revenue sufficiency				
Projected water services revenues cover the projected costs of delivering water services	Projected revenue is identified for stormwater services.	This is sufficient.	Meets requirements.	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Average projected charges for water services over FY2024/25 to FY2033/34	Average charges for stormwater services identified. Charges are \$277 for 2024/25 and increase to \$374 in 2033/34.	This is sufficient.	Meets requirements.	N/A
Projected operating surpluses/(deficits) for water services	Stormwater services have forecast operating surpluses from 2025/26 onwards.	This is sufficient.	Meets requirements.	N/A
Projected operating cash surpluses for water services	Stormwater services have forecast operating cash surpluses throughout, rising from 56.1% in 2024/25 to 65.7% in 2033/34.	This is 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	Hauraki DC's Asset Management Plan (to support the LTP) includes all known expenditure requirements to meet the activities obligations in regards to service levels, growth and asset renewal requirements. In years 2024/25 and 2025/26 there are some significant asset renewals being the stormwater criterion bridge pump, the comprehensive stormwater discharge consents and secondary flow upgrades in Waihi.	Outlined reasoning behind expenditure levels.	Meets requirements.	N/A
Renewals requirements for water services	The asset sustainability ratio is negative, and projected renewals investment is less than projected depreciation. The Council applied for a comprehensive stormwater discharge consent in 2024, which is expected to be approved in the next 6-12 months. The conditions of the consent will be used to inform the expected spend in the next LTP update.	The projected level of stormwater renewals investment is significantly lower than projected depreciation. However, this reflects the relatively young age of the network.	Meets requirements.	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Total water services investment required over 10 years	Total capital expenditure reflects the best estimate of the infrastructure spend required to meet community needs. When the LTP 2024-2034 was developed, Hauraki DC was aware that the capital expenditure for stormwater would require an increase in future planning to comply with reform, changes to freshwater management, green infrastructure in existing urban areas and adaptation planning.	Future requirements considered. Assumes a stormwater risk management plan will be required by August 2028. The asset investment ration fluctuates between -12% and -80%, explained through the renewal expenditure.	Meets requirements.	N/A
Average remaining useful life of network assets	The proposed level of investment detailed in the LTP 2024-34 is expected to increase in the forecasted period as levels of service and environmental requirements are made clearer. The figures are as per Hauraki DC's status quo with regulation financial modelling.	The decreasing asset consumption ratio results from noted renewal expenditure levels.	Meets requirements.	N/A
Assessment of financing sufficiency				
Confirmation that sufficient funding and financing can be secured to deliver water services	Funding for stormwater services is sourced at a whole of council level. Hauraki DC has a whole of council net debt to revenue ratio of 280%.	This is sufficient.	Meets requirements.	N/A
Projected council borrowings against borrowing limits	Whole of council borrowing is within council limits. Net debt to operating revenue is reducing from approximately 100% in 2024/25 to -20% in 2033/34.	This is sufficient.	Meets requirements.	N/A
Projected water services borrowings against borrowing limits	Net debt to operating revenue for stormwater services is negative throughout the Plan period.	The build-up of cash in the stormwater service offsets the debt attributable to stormwater, resulting in a negative net debt to operating revenue ratio.	Meets requirements.	N/A
Projected borrowings for water services	Borrowings for stormwater services are \$1.55 million in 2024/25, increasing to \$2.62 million in 2033/34.	This is sufficient.	Meets requirements.	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Borrowing headroom/(shortfall) for water services	Stormwater services debt headroom is calculated against the whole of council net debt to revenue limit of 280%. Stormwater services are within this limit through the Plan period.	This is sufficient.	Meets requirements.	N/A
Free funds from operations	The FFO ratio is negative throughout the Plan period, as the Hauraki DC stormwater services have a negative net debt position throughout.	This is sufficient.	Meets requirements.	N/A
Assessment of financing sufficiency	Stormwater services maintain financial sufficiency throughout the Plan.	This is 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	Focus for panel
Projected funding impact statement	Funding impact statement is provided.	Financial statements are complete. All financial statements reconcile.	N/A
Projected statement of comprehensive revenue and expense	Statement of comprehensive revenue and expense is provided for stormwater.		N/A
Projected statement of cashflows	Statement of cashflows is provided for stormwater. Negative cash balance until 2031/32.		N/A
Projected statement of financial position	Statement of financial position provided for stormwater.		N/A

Assessment Report: Part E – Financial projections and measures

Projected statement of comprehensive revenue and expense

Water Services Delivery Plan page 98

Projected statement of financial position

Water Services Delivery Plan pages 106-107

Financial measures: revenue sufficiency

Water Services Delivery Plan pages 87-89

Financial measures: investment sufficiency

Water Services Delivery Plan pages 89-91

Financial measures: financing sufficiency

Water Services Delivery Plan pages 92-94

Assessment Report – Matamata-Piako District Council

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	<p>Matamata-Piako DC is retaining stormwater activity and will continue to perform this service via an IBU. The stormwater activity is currently ringfenced and meets the regulatory requirements of:</p> <ul style="list-style-type: none"> • Stormwater revenues are spent on stormwater services. • Stormwater charges and expenses are transparent and accountable. 	Financial sustainability is confirmed.	Meets requirements	N/A
The proposed model to deliver water services	<p>Matamata-Piako DC is retaining stormwater activity and will continue to perform this service via an IBU. In the future, Matamata-Piako DC may look to transfer the delivery of stormwater to Waikato Waters. Under this future option, Matamata-Piako DC will not transfer its stormwater assets.</p>	Proposed model is described.	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	Matamata-Piako DC plans to continue to manage the stormwater activity in-house. In the future, Matamata-Piako DC may look to transfer the delivery to Waikato Waters. If Matamata-Piako DC decides to transfer stormwater delivery to Waikato Waters, it will engage with them to confirm the scope of the future contractual arrangements for this service. Following this, a service agreement will be completed.	Implementation plan is outlined.	Meet requirements	N/A
Consultation and engagement undertaken	<p>Matamata-Piako DC has consulted with its community on its two preferred service delivery options for water services in accordance with the Preliminary Arrangements Act (Part 3, sections 60 to 64). The two preferred service delivery options consulted on were:</p> <ol style="list-style-type: none"> 1. Joining Waikato Waters; or 2. An enhanced Business Unit. <p>Matamata-Piako DC's main methods used to consult with its community were:</p> <ul style="list-style-type: none"> • A three-week public consultation process was held in May 2025. • A Consultation Document was made available on Council's website. • Facilitating information sessions (in person) and online webinars during May 2025. • Providing a feedback form for the community to submit on their preferred service delivery options via an online platform, dedicated email address, post or dropping off at the Council's offices. 	Consultation approach is identified.	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Assurance and adoption of the plan				
Council resolution to adopt the Plan	The plan was adopted by Matamata-Piako DC on 13 August 2025, resolution provided,	N/A	Meets requirements	N/A
Certification of the Chief Executive of Matamata-Piako DC	The Chief Executive has certified the Plan.	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	Serviced areas and populations provided, projected out to 2033/34 with location descriptions. Growth areas highlighted. Un-serviced areas are listed. LOS and associated performance results have been provided in the 'Statement of regulatory compliance' section.	Information has been supplied on serviced areas, connections and growth.	Meets requirements	N/A
Assessment of the current condition and lifespan of the water services network	Average asset age has been provided: drinking water 33 years, wastewater 36.8 years, stormwater 33.5 years. Condition information percentages are provided (100% for all assets), including percentage in poor/very poor condition. Critical assets are noted as being 'unreliable' for drinking water and wastewater, and 'not identified' for stormwater.	Good condition information has been provided across all assets. The average age of assets is fairly new (approximately 35 years).	Meets requirements	N/A
Asset management approach	This is discussed in the WSCCO section.	This is discussed in the WSCCO section.	Meets requirements	N/A
Statement of regulatory compliance – Resource consents	18 significant drinking water consents, 14 wastewater consents and four stormwater consents. 27 consents to expire in the next 10 years. Three active consent applications. One significant risk non-compliance, eight moderate risk non-compliance, and 28 low risk non-compliance.	None of the compliance issues relate to stormwater. Other issues have been discussed in the WSCCO section.	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
	10 compliance warnings have been issued in the past 24 months.			
Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements	Proposed capex has been provided.	Capital projects are mainly related to ongoing stormwater reticulation and treatment device renewals, resource consent-related treatment upgrades, and long-term planning for Te Aroha and Matamata.	Meets requirements	N/A
Historical delivery against planned investment	Renewal delivery varies between 63% - 147% of planned investment (three-year average is 92.8%). Total investment in water services averages 77.3% delivery against budget in the last three years.	Matamata-Piako DC has provided a list of actions undertaken to improve its deliverability of capital works.	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	Stormwater revenue will be collected via the current mechanisms of general and targeted rates by Matamata-Piako DC. This is stated to meet requirements for ringfencing.	Appropriate charging and billing arrangements for stormwater.	Meets requirements	N/A
Water services revenue requirements and sources	The revenue requirement for stormwater from general and targeted rates is shown in the affordability section of the Plan.	The stormwater revenue requirement is not stated in this section but is implied through other stormwater information in the Plan.	Meets requirements	N/A
Existing and projected commercial and industrial users' charges	A uniform charge for stormwater is charged to all properties with no differential for commercial properties.	There is no differential between residential and commercial rates.	Meets requirements	N/A
The affordability of projected water services charges for communities	Affordability is not shown as a percentage of median household income, but rather the targeted rate value. The targeted rate is \$100.89 in 2024/25, rising to \$121.39 in 2033/34. Affordability as percentage of median household income shown on page 61. Stormwater charges are 0.14% of median household income over the Plan.	The Department does not provide guidance for stormwater affordability. Stormwater charges have inflationary increases across the Plan.	Meets requirements	N/A
Funding and financing arrangements				
Water services financing requirements and sources	Funding source for stormwater is not explicitly stated.	The Plan notes that internal borrowing arrangements for stormwater will not change from the current arrangements.	Meets requirements	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Internal borrowing arrangements	Matamata-Piako DC currently calculates debt for the three water services activities (from underlying projects) and maintains an internal loan register of debt balances, annual repayments and annual interest charge. No change is planned for the stormwater internal borrowing approach.	Sufficient internal borrowings arrangement.	Meets requirements	N/A
Determination of debt attributed to water services	No debt for stormwater is specified. The Plan notes in section D (page 59) that the stormwater activity does not have any debt attributed to it.	No debt associated with stormwater.	Meets requirements	N/A
Insurance arrangements	Current insurance arrangements are through CoLab. Future stormwater insurance is not specifically mentioned.	Sufficient insurance arrangements.	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 notes that the stormwater activity is forecast to run at a deficit as the Council does not fully fund depreciation. This was a decision made for the 2024-34 LTP. The Plan notes that Matamata-Piako DC has sufficient revenue to deliver stormwater services required in the LTP.	Stormwater activity financially sustainable through an IBU.	Meets requirements	N/A
Actions required to achieve financially sustainable delivery of water services	The plan states that stormwater will be funded as per the 2024-34 LTP.	This is sufficient.	Meets requirements	N/A
Risks and constraints to achieving financially sustainable delivery of water services	Risks are identified on page 39 of the Plan.	Sufficient risks are identified.	Meets requirements	N/A
Assessment of revenue sufficiency				
Projected water services revenues cover the projected costs of delivering water services	Revenue is budgeted to fund depreciation at a level that will maintain a projected positive cashflow for this activity over the term of this LTP. However, the Plan forecasts operating deficits from 2024/25 to 2033/34.	Although the Plan has operating deficits there is a sufficient explanation as to why this is acceptable for the stormwater activity.	Meets requirements	N/A
Average projected charges for water services over FY2024/25 to FY2033/34	Average charges are \$117 in 2024/25, rising to \$141 in 2033/34. This is 0.14% of the median household income throughout the Plan.	The Department does not provide guidance for stormwater affordability. Stormwater charges have inflationary increases across 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	Operating deficits are forecast over the whole Plan. The Plan states a net deficit each year averaging \$873,000 due to not fully funding depreciation. That revenue is budgeted to fund depreciation at a level that will maintain a projected positive cashflow for this activity over the term of this LTP.	Although the plan has operating deficits there is a sufficient explanation as to why this is acceptable for the stormwater activity.	Meets requirements	N/A
Projected operating cash surpluses for water services	Cash surplus is forecast to remain stable between 27.1% of operating revenue in 2024/25 and 26.6% of operating revenue in 2033/34.	Cash surpluses remain stable throughout the plan.	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	Information is provided for 2024/25 and 2026/27, before the establishment of the CCO for drinking water and wastewater. Information is provided for stormwater, including table of expenditure against depreciation. Stormwater renewal spend is inconsistent across the Plan period and below depreciation.	Matamata-Piako DC's asset management plan to support the LTP, and its subsequent revision, includes all known expenditure requirements to meet the activities obligations in regards to service levels, growth and asset renewal requirements. Matamata-Piako DC is forecasting to fund depreciation at a lower level than the depreciation expense. \$2.6 million of cash reserves are available to fund capital work in the early years, and the funded level of depreciation is projected to maintain renewal requirements for the 30 years of the infrastructure strategy.	Meets requirements	N/A
Renewals requirements for water services	The stormwater asset sustainability ratio is inconsistent, from -100% for years with no expenditure, to -55%.	The projected levels of stormwater renewals investment is significantly lower than projected depreciation. This reflects the relatively young age of a large portion of the network, including the higher value treatment assets. Projections show that even with a lower level of funded depreciation, cashflows will be sufficient to keep up with renewals over a 30-year period.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Total water services investment required over 10 years	The stormwater asset investment ratio moved between 61% to -100%.	Investment levels have been set to maintain current service levels and to ensure compliance with current and future consents. This is consistent with Matamata-Piako DC's plans.	Meets requirements.	N/A
Average remaining useful life of network assets	The stormwater asset consumption ratio decreases from 71% to 55% over the 10-year plan period.	Matamata-Piako DC's asset consumption ratio is forecast to reduce over this 10-year period. However, investment beyond 2034 is forecast to be steady and sufficient to maintain the network.	Meets requirements.	N/A
Assessment of financing sufficiency				
Confirmation that sufficient funding and financing can be secured to deliver water services	The Plan states that stormwater services are not forecast to be funded through debt.	The stormwater activity receives sufficient funding through revenue. Stormwater is not funded through debt.	Meets requirements	N/A
Projected council borrowings against borrowing limits	Whole of council borrowing limits are not stated in the Plan. Stormwater does not rely on debt funding.	Total council debt is not stated. This does not impact the Plan's ability to meet the legislative requirements.	Meets requirements	N/A
Projected water services borrowings against borrowing limits	The Plan states that stormwater services are not forecast to be funded through debt.	N/A – stormwater is not debt funded.	Meets requirements	N/A
Projected borrowings for water services	The Plan states that stormwater services are not forecast to be funded through debt.		Meets requirements	N/A
Borrowing headroom/(shortfall) for water services	The Plan states that stormwater services are not forecast to be funded through debt.		Meets requirements	N/A
Free funds from operations	The Plan states that stormwater services are not forecast to be funded through debt.		Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Assessment of financing sufficiency	The Plan states that stormwater services are not forecast to be funded through debt. Stormwater services do not require finance.	No financing is necessary as the stormwater activity is funded through revenue.	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 for stormwater services is included in the Plan.	The funding impact statement shows movements in debt. Matamata-Piako DC has confirmed debt movements in the funding impact statement are for internal purposes in the stormwater activity. The stormwater activity does not draw down debt over the Plan period.	N/A
Projected statement of comprehensive revenue and expense	Statement of comprehensive revenue and expense is included in the Plan.	The cash surplus in the statement of comprehensive revenue and expense does not reconcile to the statement of cashflows surplus from operations. The inclusion of vested assets in the statement of comprehensive revenue and expense causes this variance.	
Projected statement of cashflows	Statement of cashflows is included in the Plan.		
Projected statement of financial position	Statement of financial position is included in the Plan.	The statement of financial position reconciles to the debt tables and commentary in the Plan.	

Assessment Report: Part E – Financial projections and measures

Projected statement of comprehensive revenue and expense

Water Services Delivery Plan page 86

Projected statement of financial position

Water Services Delivery Plan page 87

Financial measures: revenue sufficiency

Water Services Delivery Plan pages 61-62

Financial measures: investment sufficiency

Water Services Delivery Plan pages 63-65

Financial measures: financing sufficiency

Water Services Delivery Plan pages 65-68

Assessment Report – Ōtorohanga District Council

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	Ōtorohanga DC will continue to deliver operations and maintenance activities for both urban and rural stormwater services. The financial sustainability projected by Ōtorohanga DC for the stormwater activity is supported by detailed financial modelling carried out to support council decision making, and detailed information included in Parts B and D of the Plan. The financial modelling confirms that the stormwater activity will meet the legislative requirements and be financially sustainable by 30 June 2028.	Financial sustainability is confirmed.	Meets requirements	N/A
The proposed model to deliver water services	Ōtorohanga DC is retaining the delivery of stormwater activities and will continue to perform this service in-house in the following manner: <ul style="list-style-type: none"> • Minor capital works (fitting, mechanical and electrical) are to be delivered internally. • Major capital projects will be outsourced with in-house project management. External providers may include Waikato Waters Limited or other suitably qualified providers. 	Proposed model is described.	Meets requirements	N/A
Implementing the proposed service delivery model	Operational services and minor capital works for stormwater will continue to be delivered by the Council in-house. Major capital works will be contracted out to appropriate providers and project managed by Council staff. Provision will be made to ensure that these services are ringfenced as discrete activities prior to 30 June 2028.	Implementation is described.	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Consultation and engagement undertaken	<p>Following the enactment of the Preliminary Arrangements Act, Ōtorohanga DC developed a communication plan and set up a web page to inform and engage the community about Local Water Done Well and the action the Council was taking to prepare its Plan. The Council also took the opportunity to brief key stakeholders such as mana whenua and rural water scheme users as opportunities arose.</p> <p>Hearings were held on 27 April 2025 and all submissions were deliberated on 10 June 2025. The Council made its final decision on the water service delivery model for inclusion in its plan on 24 June 2025.</p> <p>WWDW is the outcome of 18 months of collaboration by participating councils and the Iwi Chairs Forum, which initially begun as a conversation about how to better deliver water services across the Waikato region. The seven participating councils signed a Heads of Agreement in December 2024 to explore the WWDW model so they could put it forward as one of the options being considered for the future delivery of water services in their district.</p>	Consultation approach is identified.	Meets requirements	N/A
Assurance and adoption of the plan				
Council resolution to adopt the Plan	The Plan was adopted by Ōtorohanga DC on 12 August 2025, resolution provided.	N/A	Meets requirements	N/A
Certification of the Chief Executive of Ōtorohanga DC	The Chief Executive has certified the Plan.	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>Serviced areas and populations provided, projected out to 2033/34 with location descriptions.</p> <p>The Plan describes the schemes.</p> <p>LOS and associated performance have been provided.</p> <p>Investment required has been provided.</p> <p>Un-serviced areas are described (Aotea for stormwater, and Kāwhia for wastewater.)</p> <p>Minor (3%) population growth forecast.</p> <p>A number of performance targets were not met.</p>	<p>Information has been supplied on serviced areas, connections and growth.</p> <p>The plan notes there are a number of performance targets for Ōtorohanga DC that were not met.</p> <p>Ōtorohanga DC is also working with their community on investigating options for returning a number of water supplies in the Arohena Rural Water Scheme to stock-only supplies, which would see these supplies de-registered and no longer providing potable drinking water. These observations do not limit our ability to recommend acceptance of the Plan.</p>	Meets requirements	N/A
Assessment of the current condition and lifespan of the water services network	<p>Average asset age has been provided: drinking water 25 years, wastewater 31.2 years, stormwater 24.65 years.</p> <p>Condition information percentages are provided, including percentage in poor/very poor condition.</p> <p>For drinking water 7% of above ground and 7.8% of below ground assets are in poor or very poor condition.</p> <p>For wastewater 1.5% of above ground and 0.4% of below ground assets are in poor or very poor condition.</p> <p>For stormwater no above ground and 0.9% of below ground assets are in poor or very poor condition.</p> <p>Critical assets have been identified and listed.</p>	<p>Sufficient information is provided. The assets are relatively new (25-31 years). Renewals are based on condition and expected life. Detailed discussion on critical assets is provided.</p>	Meets requirements	N/A
Asset management approach	<p>This is discussed in the WSCCO section.</p>	<p>This is discussed in the WSCCO section.</p>	Meets requirements	N/A

Section in Part B	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Statement of regulatory compliance – Resource consents	<p>There are nine significant drinking water consents, five wastewater consents and one stormwater consent. Seven consents to expire in the next 10 years. Two active consent applications.</p> <p>Five moderate risk non-compliance, and four low risk non-compliance.</p> <p>Two compliance warnings and one abatement notice have been issued in the past 24 months.</p>	<p>The wastewater warning/abatement notice has been addressed, with a plan provided to the regional council and projects identified and funded for 2024/25 and 2025/26 to address the issues.</p>	Meets requirements	N/A
Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements	<p>Proposed capex has been provided, with LOS/renewal strategy descriptions.</p> <p>Compliance has been the focus for the past three years. Significant projects included in separate section.</p>	<p>Ōtorohanga DC use a three-year planning cycle. Capital expenditure process to improve LOS is discussed.</p> <p>Significant investment in renewals across all three waters for the duration of the Plan.</p>	Meets requirements	N/A
Historical delivery against planned investment	<p>Renewal delivery varies between 87% - 354% of planned investment (three-year average is 144%).</p> <p>Total investment in water services averages 96% delivery against budget in the last three years.</p>	<p>Significant investment in the 2021-24 LTP, with some of the larger projects carrying over several years. Ōtorohanga DC views capital delivery as a 3-year programme across a LTP cycle.</p> <p>Centralised regional project management capability is a key feature of Waikato Water Done Well Stage 1 and will help to address this resourcing risk.</p>	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	Ōtorohanga and Kāwhia stormwater are both funded by general targeted rates across the respective community, as well as a 5% contribution from the general district wide rate. There are no significant changes proposed for this activity.	Appropriate charging and billing arrangements for stormwater.	Meets requirements	N/A
Water services revenue requirements and sources	The current and projected charging and collection methodology for stormwater services for residential and non-residential ratepayers will remain the same. Currently the Council rate for stormwater is within the general rate. The average projected increase over the 10 years of the 2024/34 LTP is 89.6%.	Appropriate revenue source through rates.	Meets requirements	N/A
Existing and projected commercial and industrial users' charges		No differential between residential and commercial rates for stormwater.	Meets requirements	N/A
The affordability of projected water services charges for communities	The stormwater rates will be as per the 2024/34 LTP. The average charge per ratepayer for stormwater as a percentage of median household income is 0.22% over the period of the LTP.	The Department does not provide guidance for stormwater affordability.	Meets requirements	N/A
Funding and financing arrangements				
Water services financing requirements and sources	Investment is funded predominately from depreciation reserves obtained by fully funding depreciation on stormwater assets. There are additional borrowings in the first year as resource consents are renewed, and these costs are being loan funded.	This is appropriate.	Meets requirements	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Internal borrowing arrangements	Stormwater internal borrowing is repaid via stormwater revenue, i.e. stormwater depreciation and stormwater development contributions.	Internal borrowing arrangements are identified.	Meets requirements	N/A
Determination of debt attributed to water services	\$485,000 debt is attributable to stormwater as at 30 June 2025.	Debt is identified.	Meets requirements	N/A
Insurance arrangements	Ōtorohanga DC holds insurance policies that cover all underground stormwater assets. Insurance policies are renewed annually, with the values of assets covered being assessed and adjusted if deemed necessary to ensure sufficient cover is maintained.	Appropriate insurance arrangements.	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	It is stated the Plan demonstrates that stormwater services will be delivered in a financially sustainable manner by 30 June 2028.	Confirmed revenue will allow the appropriate stormwater long term investment to meet regulatory standards.	Meets requirements	N/A
Actions required to achieve financially sustainable delivery of water services	Actions to achieve financially sustainable stormwater are stated on page 11 of the Plan in the section titled 'Proposed model to deliver financially sustainable water services'.	Actions are identified.	Meets requirements	N/A
Risks and constraints to achieving financially sustainable delivery of water services	Risks are identified in a separate risks and assumptions section on page 109.	Risks are identified.	Meets requirements	N/A
Assessment of revenue sufficiency				
Projected water services revenues cover the projected costs of delivering water services	Revenue requirements are displayed as a graph in the Plan with revenue covering all operating expenses from 2025/26 onwards. \$0 surplus is shown from 2025/26 to 2033/34.	Revenue covers costs to deliver stormwater.	Meets requirements	N/A
Average projected charges for water services over FY2024/25 to FY2033/34	Average charges increase from \$143 in 2024/25 to \$275 in 2033/34. This remains constant at 0.2% of median household income from 2024/25 to 2033/34.	Consistent average charges throughout 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	Deficits are forecast for 2024/25 and 2025/26. \$0 surplus is forecast from 2026/27 to 2033/34.	This is appropriate.	Meets requirements	N/A
Projected operating cash surpluses for water services	There is a positive cash surplus throughout. This increases from \$41.6% in 2024/25 to 62.5% in 2033/34.	This is appropriate.	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	Information is provided for 2024/25 to 2026/27 (before the establishment of the CCO for drinking water and wastewater). Information is provided for stormwater, including table of expenditure against depreciation. Stormwater renewal spend increases after the first two years but stays below depreciation.	The asset management plan (prepared alongside the 2024/34 LTP) includes all known expenditure requirements to meet stormwater obligations with regard to service levels, growth and asset renewal requirements.	Meets requirements	N/A
Renewals requirements for water services	The stormwater asset sustainability ratio drops from 249% to 68% over the 10 years of the plan.	The level of renewals expenditure is deemed to be appropriate even though it is lower than projected depreciation. This reflects the relatively young age of a large proportion of the stormwater network. Depreciation goes into a reserve to fund future renewals.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Total water services investment required over 10 years	The stormwater asset investment ratio falls from 271% to 84% over the Plan period.	Proposed levels of investment have been set to maintain the current levels of service and ensure compliance with all current and future consents, consistent with the Council's Infrastructure Strategy. Capital expenditure in the year 2024/25 relates to the renewal of the comprehensive stormwater consents for both Ōtorohanga and Kāwhia.	Meets requirements	N/A
Average remaining useful life of network assets	The stormwater asset consumption ratio decreases from 100% to 82.2% over the 10-year Plan period.	The asset consumption ratio is expected to decrease as the age of the stormwater assets are relatively young with a long total useful life, which results in a slower rate of depreciation.	Meets requirements	N/A
Assessment of financing sufficiency				
Confirmation that sufficient funding and financing can be secured to deliver water services	Sources of financing are not explicitly stated. The Plan notes that Ōtorohanga DC has a whole of council debt limit of 175% net debt to revenue with the LGFA.	Sufficient financing can be sourced at a whole of council level.	Meets requirements	N/A
Projected council borrowings against borrowing limits	Projected council borrowings are displayed on a graph. The council debt to revenue position begins at approximately 50% in 2024/25, before peaking at approximately 90% in 2028/29 then decreasing to approximately 50% in 2033/34.	Whole of council is within debt to revenue limits.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Projected water services borrowings against borrowing limits	Stormwater borrowing has been assessed against a debt to revenue limit of 500%. Stormwater services show a net debt to revenue of approximately 950% in 2024/25, decreasing over the Plan to approximately 450% in 2033/34. The table of stormwater net debt shows net debt at 190% in 2024/25, decreasing to 109% in 2033/34.	The table and graph for stormwater debt does not reconcile. Council to clarify which graph or table is correct. This does not prevent the Plan from meeting the legislative requirements, as the whole of council is within its borrowing limits.	Meets requirements	N/A
Projected borrowings for water services	Projected borrowings are forecast to increase from \$485,000 in 2024/25 to peak at \$580,000 in 2027/28, then decrease to \$516,000 at 2033/34. Stormwater net debt shows net debt at 190% in 2024/25, decreasing to 109% in 2033/34.	Stormwater borrowings are clearly identified.	Meets requirements	N/A
Borrowing headroom/(shortfall) for water services	Borrowing headroom has been assessed against the whole of council debt to revenue limit of 175%. Stormwater services show negative headroom in 2024/25, then positive headroom from 2025/26 onwards.	The table does not reconcile with the graphs on page 77. This does not prevent the Plan from meeting the legislative requirements, as the whole of council is within its borrowing limits.	Meets requirements	N/A
Free funds from operations	FFO is forecast to increase from 19.2% in 2024/25 to 56.2% in 2033/34.	Improving FFO ratio over time.	Meets requirements	N/A
Assessment of financing sufficiency	Stormwater services will achieve financing sufficiency for Ōtorohanga DC.	N/A	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 for stormwater is provided on page 87.	N/A	N/A
Projected statement of comprehensive revenue and expense	SOCRE is provided on page 93.	The SOCRE has a deficit in 2024/25 and \$0 surplus from 2025/26 onwards. This does not reconcile with the operating surplus table on page 74 which has a \$48,000 deficit in 2025/26. This does not prevent the Plan from meeting the legislative requirements, as the whole of council is within its borrowing limits.	N/A
Projected statement of cashflows	Statement of cashflows is provided on page 98. The statement of cashflows shows a negative cash balance for the whole Plan.	Cash surplus from operations reconciles with the SOCRE on page 93. The negative cash balance should be corrected to additional borrowings as a ringfenced stormwater activity cannot have a negative cash balance. This does prevent the Plan from meeting the legislative requirements, as the whole of council is within its borrowing limits.	N/A
Projected statement of financial position	Statement of financial position is provided on page 103.	The debt and cash balances in the statement of financial position do not reconcile to the net debt position on page 78. This does not prevent the Plan from meeting the legislative requirements, as the whole of council is within its borrowing limits.	N/A

Assessment Report: Part E – Financial projections and measures

Projected statement of comprehensive revenue and expense

Water Services Delivery Plan page 93

Projected statement of financial position

Water Services Delivery Plan page 103

Financial measures: revenue sufficiency

Water Services Delivery Plan pages 73 to 75

Financial measures: investment sufficiency

Water Services Delivery Plan page 76

Financial measures: financing sufficiency

Water Services Delivery Plan pages 77 to 79

Assessment Report – South Waikato District Council

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	<p>South Waikato DC has determined that stormwater will be provided in its district as an in-house delivery activity.</p> <p>The financial sustainability projected by South Waikato DC for the stormwater activity is supported by detailed financial modelling carried out to support council decision making, and detailed information included in Parts B and Part D of this Plan.</p>	Financial sustainability confirmed.	Meets requirements	N/A
The proposed model to deliver water services	<p>South Waikato DC will retain stormwater activity and will continue to perform this service in-house.</p>	Proposed model described.	Meets requirements	N/A
Implementing the proposed service delivery model	<p>South Waikato DC’s stormwater services will remain in-house and will be financially sustainable by 30 June 2028 and meet the legislative requirements.</p> <p>The focus will be on transferring drinking water and wastewater services to WWDW by 1 July 2026. Once this is complete, South Waikato DC will ensure the stormwater activity meets the required regulations.</p>	Implementation approach described.	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Consultation and engagement undertaken	<p>Public consultation was held from 14 April to 12 May 2025.</p> <p>On 26 March 2025, South Waikato DC selected WWDW as its preferred service delivery model for drinking water and wastewater services, in accordance with the Preliminary Arrangements Act. South Waikato DC also confirmed that the Council will retain ownership of stormwater activity and continue to deliver this service to meet the legislative and regulatory requirements. South Waikato DC will work with WWDW to explore options for contracting the stormwater service to them or to another provider.</p>	Consultation approach identified.	Meets requirements	N/A
Assurance and adoption of the Plan				
Council resolution to adopt the Plan	The Plan was adopted by South Waikato DC on 30 July 2025. The Council resolution was provided.	N/A	Meets requirements	N/A
Certification of the Chief Executive of South Waikato DC	The Chief Executive has certified the Plan.	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>Serviced areas and populations provided, projected out to 2033/34.</p> <p>The Plan describes the schemes: six drinking water supply, four wastewater and four stormwater schemes. LOS and associated performance have been provided. Investment required has been provided. Un-serviced areas described. Minor population growth forecast.</p>	Information has been supplied on serviced areas, connections and growth.	Meets requirements	N/A
Assessment of the current condition and lifespan of the water services network	<p>Basic asset age has been provided.</p> <p>The Plan notes that no condition information for the stormwater network exists. Limited information for other networks. Critical assets have been identified but not listed.</p>	<p>Older asset portfolio (47-56 years). Complete condition information for below ground assets, limited information for above ground.</p> <p>These observations do not impact our ability to recommend acceptance of the Plan.</p>	Meets requirements	N/A
Asset management approach	Discussed in the WSCCO section.	Discussed in the WSCCO section.	Meets requirements	N/A
Statement of regulatory compliance – Resource consents	<p>Seven significant drinking water consents, four wastewater consents and 15 stormwater consents. Nine consents to expire in the next 10 years. Four active consent applications. One warning (Tokoroa WWTP discharge) has been issued in the past 24 months. Issues and risk management approach are outlined.</p>	<p>Budgets are provided for the water take consent renewals.</p> <p>The Council is working with Waikato Regional Council to improve the level of compliance with consent conditions and respond to the formal warning received for Tokoroa WWTP discharge on 4 September 2024. Projects funded for Tokoroa WWTP upgrades 2024/25 to 2027/28.</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>Proposed capex has been provided, with renewal strategy description.</p> <p>Significant projects are listed, included in a separate section.</p> <p>Renewal expenditure increased as noted to manage backlog.</p>	<p>The capital expenditure for South Waikato DC will ensure compliance with anticipated regulatory requirements and meet the demands of growth and does not diminish existing LOS.</p> <p>Renewals investment requirements are lumpy over time, reflecting the uneven pattern of historic development.</p> <p>Over the 10-year period, significant increases in renewals are forecast. Depreciation levels are also increasing as new assets are created due to levels of service improvements and growth.</p>	<p>Meets requirements</p>	<p>N/A</p>
<p>Historical delivery against planned investment</p>	<p>Renewal delivery varies between 59% to 108% of planned investment.</p> <p>Total investment in water services averages 91% delivery against budget in the last three years.</p>	<p>South Waikato DC has delivered 88% of its capital delivery programme in the last three years.</p> <p>Delays occur particularly during engagement and consenting phases.</p> <p>Centralised regional project management capability is a key feature of WWDW Stage 1 and will help to address this resourcing risk.</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	Charging is on a target rate based on capital value. No changes to the charging mechanism are proposed.	Sufficient charging arrangements.	Meets requirements	N/A
Water services revenue requirements and sources	Revenue requirements are stated in section D.	Sufficient.	Meets requirements	N/A
Existing and projected commercial and industrial users' charges	Charging is on a target rate based on capital value. No changes to the charging mechanism are proposed. There is no differential based on property type.	Sufficient.	Meets requirements	N/A
The affordability of projected water services charges for communities	Affordability is stated in section D. Stormwater charges are 0.2% of median household income in 2024/25, rising to 0.4% of median household income by 2033/34.	The Department does not provide guidance for stormwater affordability.	Meets requirements	N/A
Funding and financing arrangements				
Water services financing requirements and sources	Stormwater will be funded at a whole of council level through council borrowings from LGFA, with an internal debt limit of 500% net debt to revenue for the purposes of the Plan. The whole of council has a 175% net debt to operating revenue limit and a 150% internal limit.	Appropriate financing sources and requirements.	Meets requirements	N/A
Internal borrowing arrangements	South Waikato DC does not have any internal borrowing arrangements at present. Debt is managed at an entity level. A method of tracking debt for the proposed stormwater IBU has not been determined yet, but full ringfencing of the activity will occur.	Stated that internal borrowing arrangements will be in place to allow ringfencing.	Meets requirements	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Determination of debt attributed to water services	\$123,000 of debt is attributable to stormwater services as at 30 June 2024.	Debt for stormwater is stated.	Meets requirements	N/A
Insurance arrangements	Insurance arrangements for stormwater will be included within South Waikato DC's current insurance arrangements. The current insurance portfolio includes above ground and underground assets.	Insurance arrangements are specified.	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	South Waikato DC's stormwater activity will be financially sustainable as an IBU by 30 June 2028.	Stormwater activity is financially sustainable.	Meets requirements	N/A
Actions required to achieve financially sustainable delivery of water services	South Waikato DC intends to maintain the stormwater strategy from its 2024/34 LTP.	Sufficient information provided.	Meets requirements	N/A
Risks and constraints to achieving financially sustainable delivery of water services	Risks and constraints are briefly noted as contractor availability risks and escalating cost risk.	Sufficient risks identified.	Meets requirements	N/A
Assessment of revenue sufficiency				
Projected water services revenues cover the projected costs of delivering water services	Stormwater services are forecast to have a deficit for the first three years, then a \$0 surplus from 2027/28 onwards.	Sufficient revenue is projected to allow stormwater services to break even.	Meets requirements	N/A
Average projected charges for water services over FY2024/25 to FY2033/34	Stormwater projected charges are forecast to increase rapidly in the first four years – from \$177 in 2024/25 to \$425 in 2027/28. Average charges remain stable from 2027/28 onwards, reaching \$429 in 2033/34. The rapid increase in the first four years allows the stormwater service to break even in 2027/28.	We recommend that average charges be monitored as there are large percentage increases from 2025/26 to 2027/28 (54.8%, 29.3%, and 19.8%). These increases bring the stormwater activity to a break-even point.	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	Operating deficits are forecast until 2026/27. From 2027/28 onwards, stormwater services have a \$0 surplus.	Sufficient to have stormwater services operating at a break-even point.	Meets requirements	N/A
Projected operating cash surpluses for water services	The Plan forecasts cash surpluses throughout. Cash surpluses increase from 9.5% in 2024/25 to 61.0% in 2033/34.	Sufficient cash surpluses.	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	Information is provided for 2024/25 and 2025/26 (before the establishment of the CCO for drinking water and wastewater). Information is provided for stormwater, including table of expenditure versus depreciation. There is high LOS improvement spend in the first three years.	There is a focus on wastewater renewals due to ageing assets. There is planned stormwater investment to improve LOS in first three years.	Meets requirements	N/A
Renewals requirements for water services	The stormwater asset sustainability ratio is negative throughout the 10 years of the Plan.	Adequate current investment into renewals. As the assets become closer to end of life, a re-look into the amount of renewal funding will be undertaken.	Meets requirements	N/A
Total water services investment required over 10 years	The stormwater asset investment ratio falls from 230% to -67% over the planning period.	The capital spend from 2024 to 2027 is predominately due to an increase in LOS to respond to additional compliance requirements from new stormwater discharge consents. From 2027/28 onwards the capital spend is driven by renewals, noting that renewals are below depreciation levels as the performance data is not indicating any significant failures in the network that needs to be addressed.	Meets requirements	N/A
Average remaining useful life of network assets	The stormwater asset consumption ratio remains relatively constant over the 10-year Plan.	Indicates the average remaining useful life of stormwater assets remains stable over the 10-year period.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Assessment of financing sufficiency				
Confirmation that sufficient funding and financing can be secured to deliver water services	Stormwater services are forecast to have sufficient funding and financing sourced at a South Waikato DC level through LGFA. South Waikato DC has a 175% net debt to operating revenue limit through LGFA.	Stormwater services are financially sustainable.	Meets requirements	N/A
Projected council borrowings against borrowing limits	Council borrowings are forecast to peak at approximately 100% net debt to revenue in 2025/26 before declining to approximately -30% in 2033/34.	Whole of council debt is within LGFA net debt to revenue limits.	Meets requirements	N/A
Projected water services borrowings against borrowing limits	Stormwater services net debt to revenue is expected to peak at 477% in 2026/27 before declining to 165% in 2033/34. This is within the internal limit of 500% net debt to revenue.	Stormwater services show an improving net debt to revenue ratio over time.	Meets requirements	N/A
Projected borrowings for water services	Projected stormwater debt is \$3.6 million in 2024/25, increasing to \$11.6 million in 2026/27 before declining to \$5.2 million in 2033/34.	Borrowings are stated for stormwater services.	Meets requirements	N/A
Borrowing headroom/(shortfall) for water services	Borrowing headroom is calculated against an internal net debt to revenue limit of 500% for stormwater activities. Positive headroom is forecast throughout the Plan with a minimum headroom of \$0.5 million in 2026/27, increasing to \$10.5 million in 2033/34.	Borrowing headroom is calculated against an internal net debt to revenue limit of 500% for stormwater activities.	Meets requirements	N/A
Free funds from operations	FFO is stated at 0% in 2024/25, then forecast to increase consistently over the Plan to 29.0% in 2033/34.	FFO is not required for in-house delivery of stormwater services, however, this shows an improving debt position over time.	Meets requirements	N/A
Assessment of financing sufficiency	Stormwater services demonstrate financing sufficiency.	Stormwater services demonstrate 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 for stormwater services provided on page 111.	Meets requirements.	N/A
Projected statement of comprehensive revenue and expense	SOCRE for stormwater services is provided on page 113.	Meets requirements.	N/A
Projected statement of cashflows	Statement of cashflows for stormwater services is provided on page 114.	Cash surplus from operations reconciles to the SOCRE. Meets requirements.	N/A
Projected statement of financial position	Statement of financial position for stormwater services is provided on page 115.	Debt balances reconcile to the tables stated earlier 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 113

Projected statement of financial position

Water Services Delivery Plan page 115

Financial measures: revenue sufficiency

Water Services Delivery Plan page 85

Financial measures: investment sufficiency

Water Services Delivery Plan page 87

Financial measures: financing sufficiency

Water Services Delivery Plan page 89

Assessment Report – Waipā District Council

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	<p>Waipā DC’s stormwater services will be contracted to Waikato Waters from 1 July 2026. The stormwater services agreement will be developed in accordance with the provisions of the SHA and will provide clarity on scope of services, effective date, relevant payment terms, expectations and respective rights and obligations.</p> <p>The financial modelling confirms that the stormwater activity will meet the legislative requirements and be financially sustainable by 30 June 2028.</p>	Financial sustainability is confirmed.	Meets requirements	N/A
The proposed model to deliver water services	Waipā DC will retain legal responsibility for the management of stormwater services. However, stormwater services will be contracted to Waikato Waters, and no changes to the current levels of service is anticipated.	Proposed model is described.	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	<p>Waipā DC is proposing to enter into a service agreement with Waikato Waters for the delivery of both stormwater operational services and construction of infrastructure from 1 July 2026.</p> <p>They will engage with Waikato Waters to confirm the scope of the future contractual arrangements for this service in line with the requirements of the SHA, from this a service agreement will be completed. It is expected that this agreement will be agreed and in place by early 2026.</p>	Implementation is described.	Meets requirements	N/A
Consultation and engagement undertaken	<p>Waipā DC consulted on its proposed model for the future delivery of water services, WWDW, in accordance with sections 61 to 64 of the Preliminary Arrangements Act from 9 May 2025 to 9 June 2025.</p> <p>As part of the consultation exercise a total of 108 submissions were received, including seven presented during the Local Water Done Well hearings held on 2 July 2025.</p> <p>During the consultation period, a total of 20 engagement sessions were held across the Waipā District, including 15 in-person events and five webinars.</p>	Consultation approach is identified.	Meets requirements	N/A
Assurance and adoption of the Plan				
Council resolution to adopt the Plan	The Plan was adopted by the Waipā District Council on 18 July 2025. The Council resolution was provided.		Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Certification of the Chief Executive of Waipā DC	The Chief Executive has certified the Plan.	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>Serviced areas and populations provided, projected out to 2033/34.</p> <p>The Plan describes the schemes.</p> <p>LOS and associated performance have been provided.</p> <p>Proposed growth areas have been identified.</p> <p>Good level of information on the networks provided.</p> <p>Moderate population increase is discussed.</p>	Information has been supplied on serviced areas, connections and growth.	Meets requirements	N/A
Assessment of the current condition and lifespan of the water services network	<p>Breakdown of asset age has been provided.</p> <p>Approximately 70% of wastewater /drinking water assets have condition grades.</p> <p>Critical assets have been identified but not listed.</p>	<p>Sufficient information provided on assets.</p> <p>Condition grade completeness variable.</p>	Meets requirements	N/A
Asset management approach	Discussed in the WSCCO section	Discussed in the WSCCO section	Meets requirements	N/A
Statement of regulatory compliance – Resource consents	<p>Waipā DC currently has 18 strategic resource consents across the district for stormwater, wastewater and water supply. Five consents have expired.</p> <p>For strategic consents there are four non-compliant (low risk) and one non-compliant (moderate risk).</p> <p>Expiry dates have been provided.</p> <p>The only active application is for the comprehensive stormwater discharge.</p>	<p>The five expired consents are stormwater consents.</p> <p>They will be replaced by being combined into a district wide comprehensive stormwater consent.</p>	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	Proposed capex has been provided as per the LTP. Renewal expenditure increased as noted to manage backlog. Significant projects are included in separate section.	Detailed explanation of expenditure provided, focussed on growth and renewals. An allowance has been made for higher consenting requirements. Asset maintenance and renewals strategy is provided, linked to LOS and cost-effective investment.	Meets requirements	N/A
Historical delivery against planned investment	Delivery of renewal is consistently above 100% of planned. Total investment in water services averages 90% delivery against budget in the last seven years. Renewal strategy is outlined. An increase in investment has been allowed for in the later part of the draft LTP to mitigate high backlog.	Underspend largely relates to growth projects that are dependent on developer timing.	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	Stormwater is charged through a targeted rate based on capital value. Revenue is also collected through development contributions based on new household equivalent units which the Council provides the stormwater service to, and through one-off fees and charges. No changes are proposed for stormwater charging.	Appropriate charging and billing arrangements.	Meets requirements	N/A
Water services revenue requirements and sources	Stormwater revenue will be collected via the current mechanisms by Waipā DC. The current mechanism meets the regulatory requirements for ringfencing.	Appropriate revenue requirement and sources.	Meets requirements	N/A
Existing and projected commercial and industrial users' charges	The current and projected charging and collection methodology for stormwater services for residential and non-residential ratepayers will remain the same. The average projected increase over the nine years of the 2025/34 LTP is 6%.	Appropriate as stormwater is based on a rate.	Meets requirements	N/A
The affordability of projected water services charges for communities	Stormwater affordability is shown on graphs in Part C for the average charge per rateable property and percentage of median household income. A table is provided in Part D on page 72. The average charges per rateable property are forecast to increase from \$294 to \$494 from 2024/25 to 2033/34. This is 0.2% of median household income in 2024/25 and 0.4% of median household income in 2033/34.	The Department does not provide guidance on affordability of stormwater services. The percentage of median household income is stated.	Meets requirements	N/A
Funding and financing arrangements				
Water services financing requirements and sources	Sufficient financing sources for stormwater activities at a whole of council level through the LGFA.	Sufficient financing sources and requirements stated.	Meets requirements	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Internal borrowing arrangements	Waipā currently calculates debt for the three water services activities (from underlying projects) and maintains an internal loan register of debt balances, annual repayments and annual interest charge. There is no planned change for stormwater services.	Sufficient internal borrowing arrangements to allow for ringfencing.	Meets requirements	N/A
Determination of debt attributed to water services	Debt for stormwater as at 30 June 2024 was \$59.4 million.	Debt stated.	Meets requirements	N/A
Insurance arrangements	Waipā DC currently insures its three waters assets through CoLab. Insurance coverage and values are stated.	Sufficient insurance arrangements stated.	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 Waipā DC has sufficient revenue, including servicing for debt, to deliver stormwater services required in the LTP.	Stormwater services will be financially sustainable by 30 June 2028.	Meets requirements	N/A
Actions required to achieve financially sustainable delivery of water services	Stormwater services will be provided in in line with the 2025 - 2034 LTP.	Sufficient.	Meets requirements	N/A
Risks and constraints to achieving financially sustainable delivery of water services	The Plan notes the greatest risk to delivery of the stormwater services is the capacity of the supplier market to meet the demands of entities like Waikato Waters, noting that Waipā DC plans to contract its stormwater services to Waikato Waters.	Sufficient risks identified.	Meets requirements	N/A
Assessment of revenue sufficiency				
Projected water services revenues cover the projected costs of delivering water services	Stormwater services show projected revenues generate a cash surplus throughout the Plan, while generating an operating deficit for the Plan period.	Sufficient revenue to cover cash expenses.	Meets requirements	N/A
Average projected charges for water services over FY2024/25 to FY2033/34	Average charges increase from \$294 in 2024/25 to \$494 in 2033/34. Stormwater average charges increase from 0.2% of median household income in 2024/25 to 0.4% in 2033/34.	Average charges and affordability stated.	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	Stormwater services are forecasting operating deficits for the whole Plan.	The deficits do not reconcile to the statement of comprehensive revenue and expense as the SOCRE includes development contributions	Meets requirements	N/A
Projected operating cash surpluses for water services	The Plan generates cash surpluses of 46.8% in 2024/25 rising to 49.1% in 2033/34.	Stable cash surpluses throughout the Plan.	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	Information is provided for 2024/25 and 2025/26 (before the establishment of the CCO for drinking water and wastewater). Information is provided for stormwater, including table of expenditure versus depreciation.	Waipā DC's asset management plans to support the LTP include all known expenditure requirements to meet the activities' obligations with regard to service levels, growth and asset renewal requirements. With water and wastewater debt being transferred to the CCO, the Council will have sufficient debt headroom to finance the required stormwater investments. The investment sufficiency test has been met by the Council.	Meets requirements	N/A
Renewals requirements for water services	The asset sustainability ratio increases over the two years for drinking water and wastewater. The asset sustainability ratio for stormwater is all negative (i.e. capital renewals budgets are less than depreciation allowance). This reflects the relatively young age of a large portion of the network, including the higher value treatment assets.	The 2025/34 LTP stormwater renewals are lower than what was outlined in the asset management plans for the first three years, with additional funding provided in later years to catch-up on the backlog of renewals. The projected levels of stormwater renewals investment are lower than projected depreciation. This reflects the relatively young age of a large portion of the network, including the higher value treatment assets.	Meets requirements	N/A

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Total water services investment required over 10 years	Expenditure is well above depreciation for the two years for drinking water and wastewater. The asset investment ratio is over 370%. The asset investment ratio for stormwater peaks at over 800% in 2025/26 and drops to 29% by the end of the planned period.	Investment levels have been set to maintain current service levels and to ensure compliance with current and future consents. This is consistent with the Council's plans.	Meets requirements	N/A
Average remaining useful life of network assets	There is an increase in the asset consumption ratio for the two years for drinking water and wastewater of 72% to 82%. For stormwater the asset consumption ratio increases from 84% to 162%.	The Council's ratio increases overtime, showing that renewals are greater than depreciation. Due to growth in Waipā District, the stormwater assets' average remaining life is increasing.	Meets requirements	N/A
Assessment of financing sufficiency				
Confirmation that sufficient funding and financing can be secured to deliver water services	Stormwater services will be funded and financed with a mixture of debt and operating surpluses. Debt will be sourced through LGFA at a total council level.	Sufficient funding is available for stormwater services.	Meets requirements	N/A
Projected council borrowings against borrowing limits	Waipā DC has a total council net debt to revenue limit of 350% through LGFA. The total council is forecast to get close to the 350% limit in 2026/27 and 2027/28, before the whole of council net debt to revenue reduces to approximately 180% in 2033/34.	The whole of council borrowing is close to the 350% limit. Additional funding requirements from other council activities may reduce the funding levels available for stormwater. We recommend that total council net debt to revenue ratios are monitored over the planning period.	Meets requirements	N/A
Projected water services borrowings against borrowing limits	Stormwater services have been assessed against the total council net debt to revenue limit of 350%. Stormwater services are significantly over this limit with a net debt to revenue of 1198% in 2024/25, increasing to 1307% in 2025/26 before reducing over the remainder of the Plan to 531% in 2033/34.	Stormwater gearing reduces over time, as the revenue increases as debt reduces throughout the Plan.	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	Projected borrowings for stormwater are \$73.6 million in 2024/25, increasing to \$119.1 million in 2028/29 then reducing to \$69.4 million in 2033/34.	Projected stormwater borrowing decreases over the Plan period.	Meets requirements	N/A
Borrowing headroom/(shortfall) for water services	Stormwater services are forecast to have a borrowing shortfall throughout the Plan as they are assessed against the total council net debt to revenue limit of 350%.	No specific internal debt limit for stormwater services is set to calculate the borrowing headroom, as stormwater services are funded through the whole of council funding.	Meets requirements	N/A
Free funds from operations	The FFO is negative between 2025/26 and 2029/30, before increasing to 4.7% in 2033/34.	FFO shows a positive trend over the Plan period.	Meets requirements	N/A
Assessment of financing sufficiency	Stormwater services demonstrate financing sufficiency as the Council can source finance at a whole of council level. The positive cashflow throughout the Plan demonstrates that stormwater services are generating sufficient revenue to cover expenses.	Stormwater services demonstrate funding 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 for stormwater is provided on page 94.	The financial statements reconcile to each other and the financial information stated in the Plan.	N/A
Projected statement of comprehensive revenue and expense	SCORE for stormwater is provided on page 95.		N/A
Projected statement of cashflows	Statement of cashflows for stormwater is provided on page 95.		N/A
Projected statement of financial position	Statement of financial position for stormwater is provided on page 96.		N/A

Assessment Report: Part E – Financial projections and measures

Projected statement of comprehensive revenue and expense

Water Services Delivery Plan page 95

Projected statement of financial position

Water Services Delivery Plan page 96

Financial measures: revenue sufficiency

Water Services Delivery Plan pages 72 to 73

Financial measures: investment sufficiency

Water Services Delivery Plan pages 74 to 75

Financial measures: financing sufficiency

Water Services Delivery Plan pages 76 to 77

Assessment Report – Waitomo District Council

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	Stormwater services are financially sustainable as they can rely on the borrowing headroom generated at the whole of council level.	We recommend that Waitomo DC rebalance their stormwater revenue during the next LTP cycle to ensure the ringfenced stormwater activity rebalances its debt to revenue position, and that this is monitored during implementation.	Meets requirements	N/A
The proposed model to deliver water services	Waitomo DC plans to either outsource management of its stormwater activity to Waikato Waters or deliver this service internally through its roading activity. Waitomo DC will continue to own stormwater assets.	Proposed model is described.	Meets requirements	N/A
Implementing the proposed service delivery model	Waitomo DC are proposing to either enter into a service agreement with Waikato Water for the delivery of both stormwater operational services and construction of infrastructure from 1 July 2026 or manage this activity through an in-house delivery model using their roading team.	Implementation plan is provided.	Meets requirements	N/A

Section in Part A	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Consultation and engagement undertaken	<p>Waitomo DC consulted on Local Water Done Well from 28 March 2025 to 30 April 2025. Hearings were held on 14 May 2025 and deliberations on 10 June 2025. The Council made its resolution for the preferred future water services delivery model on 30 June 2025.</p> <p>Following public consultation, seven councils have adopted the WWDW service delivery model and established the resulting entity, Waikato Waters.</p>	Consultation approach is described.	Meets requirements	N/A
Assurance and adoption of the Plan				
Council resolution to adopt the Plan	This Plan was adopted by Waitomo DC on 29 July 2025. The Council resolution was provided.	N/A	Meets requirements	N/A
Certification of the Chief Executive of Waitomo DC	The Chief Executive has certified the Plan.	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>Serviced areas and populations provided, projected out to 2033/34.</p> <p>The Plan describes the schemes: four drinking water/ wastewater and one stormwater.</p> <p>LOS and associated performance information was available in the annual report.</p>	<p>Waitomo DC did not provide LOS and performance information. This has been reviewed within their latest Annual Report, and 23 of 30 measures were achieved.</p> <p>This observation does not limit our ability to recommend acceptance of the Plan.</p>	Meets requirements	N/A
Assessment of the current condition and lifespan of the water services network	<p>Breakdown of asset age and condition has been provided. Average life is drinking water 25 years, wastewater 21 years, stormwater 34 years.</p> <p>Critical assets have been identified but not listed.</p>	<p>Sufficient information provided. Assets are fairly new (21-34 years).</p>	Meets requirements	N/A
Asset management approach	<p>This is discussed in the WSCCO section.</p>	<p>This is discussed in the WSCCO section.</p>	Meets requirements	N/A
Statement of regulatory compliance – Resource consents	<p>There are 26 consents across the district for three waters services.</p> <p>12 consents have expired, all under section 124 of the Resource Management Act.</p> <p>Six consents will expire in the next 10 years. There are 11 active applications.</p> <p>Seven moderate risk non-compliances, and 12 low risk non-compliances.</p> <p>One warning and one abatement notice have been received.</p>	<p>Additional funding has been provided for in the LTP to address the stormwater non-compliances.</p> <p>The Council is delaying wastewater consent replacements until the new regulatory wastewater standards are finalised.</p> <p>Clarification was sort from the Council regarding actions related to the abatement notices and warnings, they responded that rule breaches are being addressed and the abatement notice actions have been resolved.</p>	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	Table of capex is provided. No capex is allocated to meet additional demand for the duration of the Plan across all three waters. Significant projects are included in a separate section.	There are wastewater asset renewals with additional expenditure included for plant upgrades for wastewater schemes to meet the anticipated increase in compliance of the new resource consent, e.g. stormwater design and construction of stormwater attenuation ponds for Te Kuiti.	Meets requirements	N/A
Historical delivery against planned investment	Delivery of renewal is at 100% over the last three years. Total investment in water services averages 93% delivery against budget in the last seven years. Renewal strategy is outlined.	Centralised regional project management capability is a key feature of Waikato Water Done Well Stage 1 and will help to address this resourcing risk.	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	Stormwater is charged as targeted rates. No changes to the charging mechanism are proposed.	Appropriate charging and billing arrangements for stormwater.	Meets requirements	N/A
Water services revenue requirements and sources	Stormwater revenue will be collected via the current mechanisms by Waitomo DC. There is no distinction between residential and non-residential consumers for charging of stormwater services.	Appropriate revenue requirement for stormwater to cover costs.	Meets requirements	N/A
Existing and projected commercial and industrial users' charges	The current and projected charging and collection methodology for stormwater services for residential and non-residential ratepayers will remain the same.	Appropriate as stormwater is charged at a rating level.	Meets requirements	N/A
The affordability of projected water services charges for communities	Stormwater charges as a percentage of median household income are displayed on a graph in section C and a table in section D. They are forecast to peak at 0.9% of median household income in 2026/27 before reducing to 0.7% of median household income in 2033/34. The average charge increases from \$433 in 2024/25 to \$597 in 2033/34.	The Department does not provide guidance on affordability for stormwater services.	Meets requirements	N/A
Funding and financing arrangements				
Water services financing requirements and sources	Waitomo DC's objective is to maintain a balanced budget by setting total operating income at a level that meets total operating expenditure. Capital expenditure is funded by a combination of internal loans and other sources.	Sufficient financing requirements and sources stated.	Meets requirements	N/A

Section in Part C	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Internal borrowing arrangements	Waitomo DC maintains a treasury management function that administers internal loans across all the activities of the council. Internal loans are clearly accounted for within each function and are verifiable, appropriate and transparent. Internal loans attributed to water, wastewater and stormwater relate only to the delivery of water, wastewater and stormwater services. No changes are proposed for stormwater services.	Sufficient internal borrowings stated.	Meets requirements	N/A
Determination of debt attributed to water services	Stormwater had negative debt as at 30 June 2024 of \$17,000.	The negative debt at 30 June 2024 is due to reserves for stormwater offsetting the debt attributable to stormwater. This results in a negative net debt figure.	Meets requirements	N/A
Insurance arrangements	Waitomo DC insures its assets through a shared arrangement with other Waikato Councils under Co-Lab (Waikato Local Authority Shared Services). Insurance policies and cover are listed in the Plan.	Sufficient insurance arrangements stated.	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 the Council’s stormwater services activity is financially sustainable as there is sufficient revenue to cover costs and service debt, and the projected investment is sufficient to meet levels of service and regulatory requirements.	We recommend that Waitomo DC rebalance their stormwater revenue during the next LTP cycle to ensure the ringfenced stormwater activity rebalances its debt to revenue position and that this is monitored over the planning period.	Meets requirements	N/A
Actions required to achieve financially sustainable delivery of water services	Actions outlined along with the projected average stormwater rates revenue increase to allow revenue sufficiency.	Sufficient.	Meets requirements	N/A
Risks and constraints to achieving financially sustainable delivery of water services	Risks identified for capital delivery, affordability, regulatory, and climate.	Sufficient risks identified	Meets requirements	N/A
Assessment of revenue sufficiency				
Projected water services revenues cover the projected costs of delivering water services	Forecast revenues cover operating costs throughout the Plan.	There is sufficient revenue throughout the Plan for stormwater services.	Meets requirements	N/A
Average projected charges for water services over FY2024/25 to FY2033/34	The average charges for stormwater are forecast to increase from \$433 in 2024/25 to \$597 in 2033/34. The forecast percentage change in the average charge is not consistent with some years showing increases following on from a decrease in the prior year.	We note that the average charge increase could be smoothed from 2027/28 onwards, to remove the average charge having increases and decreases in the outer years of 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	Operating surpluses are forecast from 2026/27 onwards.	Sufficient to allow for financially sustainable stormwater services.	Meets requirements	N/A
Projected operating cash surpluses for water services	Cash surpluses are forecast for the Plan period starting at 29.1% in 2024/25 increasing to 45.2% in 2033/34.	There are sufficient cash surpluses increasing over the Plan 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	Information is provided for 2024/25 and 2025/26 (before the establishment of the CCO for drinking water and wastewater). Full detail is provided for stormwater.	Council's asset management plan that supports the LTP, includes all known expenditure requirements to meet the activities' obligations in regard to service levels and asset renewal renewals. No significant growth is forecast. Council will have sufficient headroom to finance the required investments.	Meets requirements	N/A
Renewals requirements for water services	The asset sustainability ratio slightly increases over the two years for drinking water and wastewater. The asset sustainability ratio for stormwater drops from 111% to -8% over the life of the Plan.	The total renewal expenditure forecast over the 10 years is \$4.3 million, compared to forecast total depreciation expense of \$3.3 million. The timing of the renewal programme means the first five years of the Plan's forecast spend exceeds forecast depreciation and this additional spend covers the shortfall in 2032/33 and 2033/34.	Meets requirements	N/A
Total water services investment required over 10 years	The asset investment ratio (total CAPEX over depreciation) for stormwater investment remains positive but drops from 231% to 62% over the life of the Plan.	Investment levels have been set to maintain current stormwater levels and to ensure compliance with current and future consents. Positive asset investment ratio means that there is more projected investment than projected depreciation.	Meets requirements	N/A
Average remaining useful life of network assets	There is an increase for stormwater of 56% to 66% from 2024/25 to 2033/34.	The remaining asset average life is increasing due to expenditure on renewals and LOS projects.	Meets requirements	N/A
Assessment of financing sufficiency				

Section in Part D	Summary of content in Plan	Assessment Review Comment	Assessment	Focus for panel
Confirmation that sufficient funding and financing can be secured to deliver water services	The stormwater activity will source financing at a whole of council level through LGFA.	Sufficient.	Meets requirements	N/A
Projected council borrowings against borrowing limits	The Council has a net debt to revenue limit of 175% and is forecast to stay within this limit in the Plan. The Council's net debt to revenue is shown on a graph in the Plan at approximately 100% in 2024/25 and decreasing to approximately 60% in 2033/34.	Council net debt to revenue decreases over time, generating sufficient debt headroom.	Meets requirements	N/A
Projected water services borrowings against borrowing limits	The Plan states that no specific borrowing limit for stormwater has been set.	We recommend the Council sets an internal debt limit for stormwater services, and that this is monitored over the planning period.	Meets requirements	N/A
Projected borrowings for water services	Stormwater net debt increases from \$2.5 million in 2024/25 to \$10.8 million in 2033/34 or 278% net debt to revenue in 2024/25 to 831% net debt to revenue in 2033/34.	Debt is increasing at a faster rate than revenue is increasing. We recommend that the Council rebalance the revenue for stormwater services during the next LTP cycle, and that this is monitored over the planning period.	Meets requirements	Yes
Borrowing headroom/(shortfall) for water services	No specific borrowing limits have been set for stormwater services to assess borrowing headroom.	We recommend the Council sets an internal debt limit for stormwater services, and that this is monitored over the planning period.	Meets requirements	N/A
Free funds from operations	FFO is 8.9% in 2024/25 and declines to 4.0% in 2033/34.	The declining FFO reflects the highly geared nature of the stormwater services for Waitomo DC.	Meets requirements	N/A
Assessment of financing sufficiency	Stormwater services are financially sufficient.	There are operating and cash surpluses throughout the Plan. Debt is sourced at a whole of council level so there are no specific debt covenants for the stormwater service.	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 for stormwater services is provided on page 72.	The financial statements reconcile to each other	N/A
Projected statement of comprehensive revenue and expense	SOCRE for stormwater services is provided on page 73.		N/A
Projected statement of cashflows	Statement of cashflows for stormwater services is provided on page 74.		N/A
Projected statement of financial position	Statement of financial position for stormwater services is provided on page 75.		N/A

Assessment Report: Part E – Financial projections and measures

Projected statement of comprehensive revenue and expense

Water Services Delivery Plan page 73

Projected statement of financial position

Water Services Delivery Plan page 75

Financial measures: revenue sufficiency

Water Services Delivery Plan pages 50 to 51

Financial measures: investment sufficiency

Water Services Delivery Plan pages 52 to 53

Financial measures: financing sufficiency

Water Services Delivery Plan pages 54 to 55