

# Water Services Delivery Plan

**Mackenzie District Council**

30 March 2026 (amended)

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# Foreword

## Updated Water Services Delivery Plan

Mackenzie District Council (MDC) previously submitted its Water Services Delivery Plan (the Plan) to the Department of Internal Affairs in September 2025. The WSDP proposed MDC continue delivering water services through its existing in-house Council business unit.

This proposal was supported by evidence demonstrating how MDC would achieve financially sustainable delivery of drinking water, wastewater, and stormwater services. However, the Plan acknowledged key funding and financing challenges that negatively impacted the affordability of future delivery, particularly for major capital investment required beyond the 10-year period required by the Plan. For transparency a 30-year view was presented in the WSDP identifying these challenges, the projected impacts, and MDC's response.

After reviewing MDC's Plan, the Panel's overall assessment recommendation was to accept the plan from MDC. Subsequently the Secretary for Local Government raised several concerns:

- Planned wastewater upgrades not included in the 10-year window covered by the WSDP.
- Funding for growth.
- Deliverability of capital investment programme.
- Insurance arrangements.

For these reasons MDC's Plan was not accepted, and MDC was asked to resubmit a revised Plan (this document) addressing these concerns. Specific responses to these can be found in Part F.

Following this decision, MDC's Elected Members and Executive Leadership Team re-engaged with Timaru District Council on the potential to establish a joint Water Services Council Controlled Organisation (WSCCO). On 24 February 2026 Councillors voted to join the WSCCO with Timaru.

This updated Plan has been drafted based on this decision, and with updated financials for a combined Timaru + Mackenzie WSCCO using the previously submitted 10-year forecasts from each Council. At the time of writing the two Councils are already underway with establishment and transition planning.

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

## Statement that water services delivery is financially sustainable

**Mackenzie District Council (MDC) intends to establish an asset-owning Water Services Council Controlled Organisation (WSCCO) in conjunction with Timaru District Council (TDC) to deliver drinking water and wastewater services. Stormwater assets will continue to be owned by MDC, with delivery provided by the WSCCO via a service agreement.**

**This Water Services Delivery Plan (WSDP) sets out how Council will achieve financially sustainable delivery of drinking water, wastewater, and stormwater services by 30 June 2028, in line with the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024.**

### Overview of Financial Position

This Plan sets out an investment and funding pathway, designed to ensure that water services comply with regulatory requirements, support growth, and maintain appropriate service levels. It is based on the 2024 Long-Term Plan (LTP) and Infrastructure Strategy programmes, with adjustments to ensure compliance with current consents and future anticipated regulatory standards.

Modelling confirms that financial sustainability is achievable. However, it will require:

- Increased revenue, particularly over the next 10-15 years; and
- Borrowing to fund major capital projects, for MDC these are forecast from 2037/38 onward

These changes are necessary because MDC's current water services revenue is insufficient to enable borrowing at the scale required for future upgrades, particularly for major wastewater treatment plant renewals and compliance upgrades forecast in the 2040s.

The financial projections in this Plan are based on MDC and TDC's individual 10-year forecasts developed for their respective 2025 submissions. The underlying programmes have not been reviewed or harmonised to improve efficiency, and there has not been an updated analysis of revenue and debt optimisation since the 24 February decision, however detailed modelling provided to both MDC and TDC in 2025 showed the WSCCO option to have lower costs relative to MDC's in-house delivery model.

### Investment Profile

MDC's capital investment profile is 'lumpy', with major upgrades forecast for all three wastewater treatment plants from 2038 onward. These upgrades are required to:

- Replace ageing infrastructure
- Meet higher discharge and environmental compliance standards; and
- Ensure resilience under future population and climate stressors

The 2024 Long Term Plan did not fully consider funding requirements over the next 30-years, instead taking a 10-year view. So, Council is not currently collecting sufficient revenue for these future investments, specifically by not enabling sufficient borrowing capacity in peak years. This was a key challenge for MDC if it continued with in-house delivery. It is expected that the WSCCO will be better able to fund these projects within debt limits.

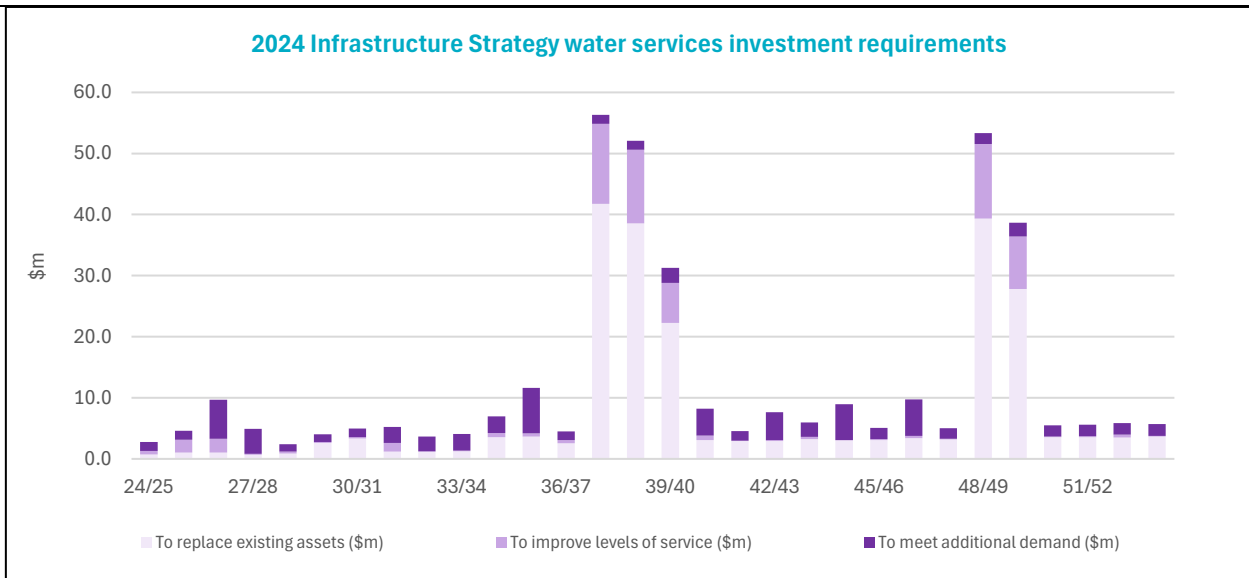


Figure 1: Water services investment requirements from 2024 Infrastructure Strategy

### Revenue Requirements

Council’s current LTP forecasts nominal (inflated) average water services revenue of \$1,330 (incl. GST) per connected property in 2033/34. Under this Plan revenue will need to increase to \$2,742 (incl. GST) per connection by the same year, an 106% increase. The cumulative difference in cost over 10-years per connection is approximately \$9,416.

	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
LTP	1,040	1,090	1,110	1,270	1,280	1,270	1,310	1,310	1,310	1,330
WSDP	1,420	1,587	1,781	1,981	2,175	2,401	2,468	2,543	2,638	2,742
Change \$	380-	497	671	711	895	1,131	1,158	1,233	1,328	1,412
Change %	37%	46%	60%	56%	70%	89%	88%	94%	101%	106%

This growth in revenue is essential to meet three key objectives:

- Expand borrowing capacity:** LGFA net debt limits are expressed as a percentage of revenue, so higher revenue enables higher borrowing without breaching debt limits.
- Service debt:** ensure there is sufficient operating revenue to meet increasing debt servicing costs from 2037 onward.
- Build reserves:** begin accumulating capital and maintain this at a more appropriate level to reduce future reliance on debt for certain types of projects, reserves also reduce the WSCCO’s net debt figure so allow it to borrow more against less revenue while staying within LGFA debt limits.

Even after these increases, the proportion of water services costs to median household income remains modest over the next 10-years. In 2024/25, MDC’s water services charges equated to just 1.2% of median household income, one of the lowest in New Zealand. Under this Plan, that ratio is expected to rise to 2.4% by 2033/34 (MDC and TDC average), which is still below national benchmarks for affordability.

### Transitional Arrangements

To manage this transition:

- An initial revenue uplift will be implemented through the 2026/27 Annual Plan
- A volumetric charging model will be phased in for urban water supplies beginning 1 July 2025, with metering to be progressively rolled out across Fairlie, Twizel, Takapō / Lake Tekapo, and Burkes Pass
- The 2027–37 Water Services Strategy will formalise the ongoing revenue pathway and capital programme

In parallel, Council will explore alternative funding options to reduce pressure on ratepayers, including:

- Targeted rates or levies on new development
- Tourism-related funding support
- Crown infrastructure funding (e.g. for housing growth similar to the Infrastructure Acceleration Fund)

## Conclusion

MDC confirms that this WSDP meets the financial sustainability criteria under the legislation, including revenue sufficiency, investment sufficiency, and financing sufficiency by 30 June 2028.

This has been achieved through conservative assumptions, with no reliance on future subsidies or relaxed lending conditions. However, the pathway to sustainability will involve real and unavoidable costs for ratepayers. MDC and TDC are committed to ensuring the WSCCO refines its financial strategy and explores practical solutions to ease the burden on households while maintaining a prudent, long-term approach to funding essential water services.

## Consultation and engagement

### Water service delivery model options considered

The Government's legislation provides Council with a range of choices to consider, primarily whether to:

- deliver water services in-house or establish a water organisation; or
- deliver water services on a stand-alone basis or establish a joint arrangement with other councils.

In 2025, before submitting the previous Plan, MDC considered the full suite of water services delivery models:

Delivery Model	Assessment	Comment
<b>In-house business unit (status quo)</b>	Continued for consultation	Financially feasible and has minimum change to governance and operating requirements.
<b>Single council owned water organisation</b>	Discounted	Does not offer benefits of scale across people capability, operating and capital efficiency, or resilience to shocks. May be financially viable, but likely to have substantially higher annual operating costs compared to in-house and may not have sufficient borrowing leverage due to smaller operating revenue compared to whole-of-council.
<b>Multi council owned water organisation</b>	Continued for consultation	Financially viable and offers benefits of scale across people capability, operating and capital efficiency, and resilience to shocks.
<b>Mix council / consumer trust owned water organisation</b>	Discounted	Cannot access borrowing from LGFA and has complexity in trust ownership structure.
<b>Consumer trust owned water organisation</b>	Discounted	Cannot access borrowing from LGFA and has complexity in trust ownership structure.

MDC undertook more detailed analysis of the in-house business unit and multi-council owned water organisation options and subsequently engaged on these with the community.

### Overview of consultation process

Council engaged and consulted with its community on its proposed model for delivering water services under Local Water Done Well. The consultation was designed to satisfy the decision-making requirements set out in section 61-41 of the Water Services Preliminary Arrangements Act 2024 and other requirements in the Local Government Act 2002.

The proposed public consultation approach and draft consultation document were endorsed at a council workshop on 8 April. Public consultation on the proposed water service delivery model was undertaken from Friday 9 May to Friday 13 June 2025.

The consultation document, and supporting material, identified Council's proposal to *'Join a new council-controlled water services organisation, with other Councils.'* This option would see water and wastewater assets and services transferred to the new organisation, with stormwater to remain within the Council. The second option included in the consultation was the continuation of an in-house water services delivery model.

Consultation activity included:

- Let's Talk – Council's main hub of information and online consultation platform.
- In-person drop-in sessions.
- Articles / adverts in local media.
- Emails to community and stakeholder groups.
- Council newsletter.
- Social media promotion.

## Summary of responses

A total of 125 submissions were received, representing 2.46% of the 5,115 usual resident population (Census 2023). Key responses and feedback from the consultation are summarised below:

### Question 1: What is your preferred option?

A higher number of respondents favoured keeping water services in-house, with fewer supporting Council's proposed option to join a new water services organisation:

	Option 1: In-house delivery of water services with changes to meet new requirements	Option 2: Joining a new water services organisation, with our neighbours
Responses	70 (56%)	54 (44%)

### Question 2: Tell us what's important to you

Respondents were asked to rank for aspects of water services delivery on a 1 (Highest) to 4 (Lowest) scale:

- Affordability
- Community Influence
- Access to Finance
- Cultural Input

Overall, affordability and community influence were the highest priority for all respondents, 91% of respondents rated affordability a 1 (Highest) or 2 priority, and community influence 72%. In contrast, access to finance was a moderately low priority with just 30% rating this positively, while cultural input was just 11%.

It was evident that supporters of the different service delivery options were influenced by different factors. Supporters of *Option 1: In-house* valued affordability alongside community influence, while supporters of *Option 2: Water organisation* placed a very high value on affordability.

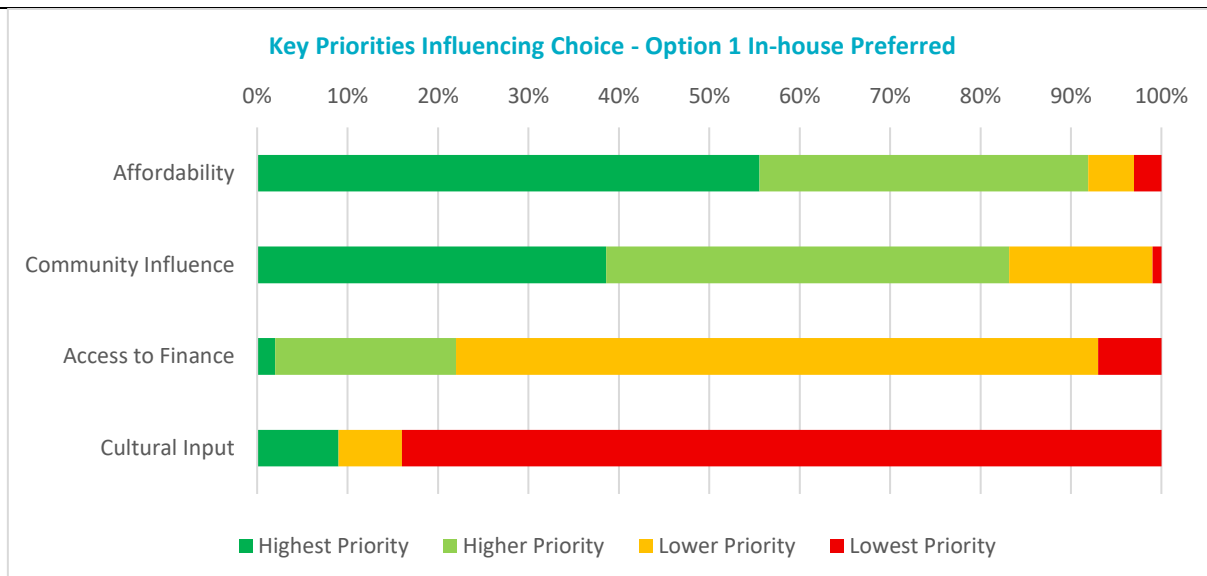


Figure 2: Consultation Option 1 key priorities influencing choice

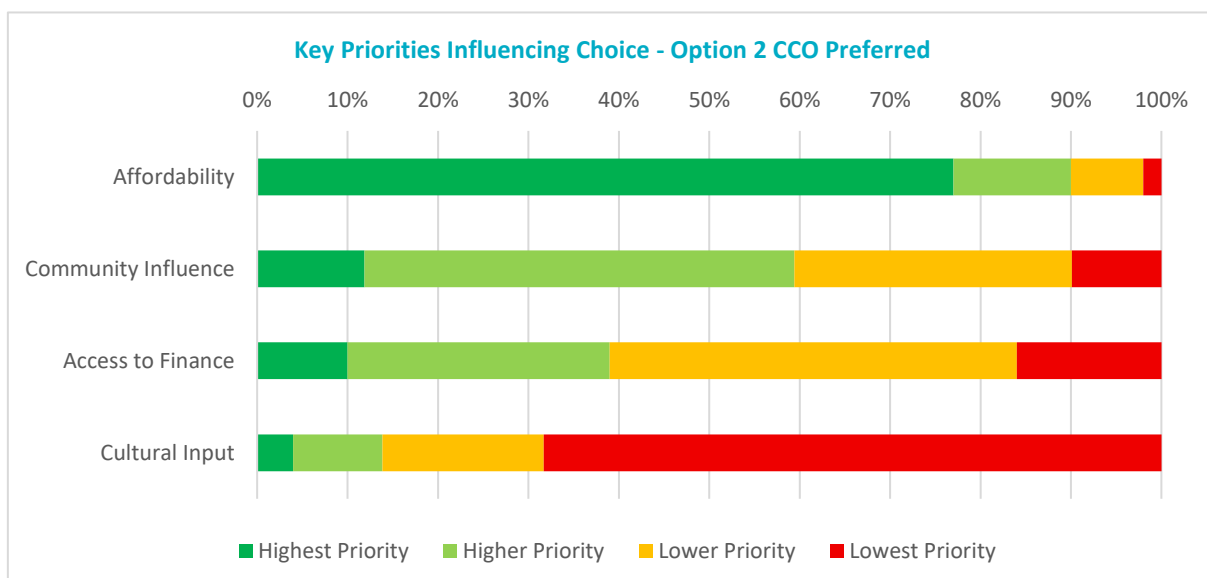


Figure 3: Consultation Option 2 key priorities influencing choice

## Summary of key themes

Respondents provided open-ended responses, with the following key themes identified.

- **Affordability** emerged as the top concern across all feedback channels. Respondents prioritised models that ensure sustainable pricing, particularly for fixed-income and rural households.
- **Local control and governance** (Community Influence) were consistently raised as critical. Many community members expressed strong reservations about losing influence over service delivery decisions.
- **Access to finance** was acknowledged as a strength of the regional model, particularly in enabling long-term infrastructure investment. Joint Water services Organisation have their debt carrying threshold increased to up to 500% of total revenue whereas a professional business unit through Council would only be able to borrow up to 175% of the total revenue.
- **Service equity for rural communities** is a key concern. Residents fear a regional model could overlook the distinct needs of smaller towns and future population and tourism growth needs. Numerous submissions raised concerns that regionalisation could lead to resource prioritisation in higher-population centres, at the expense of smaller, rural communities like those in Mackenzie District. There is a fear that Mackenzie’s

specific challenges – such as servicing dispersed communities, managing extreme weather conditions, and protecting alpine water sources – may not be well understood or prioritised by a broader regional entity. Submitters emphasised the need for service models that address these unique challenges and do not result in a 'one-size-fits-all' approach.

- **Trust and transparency** in new governance structures are essential for public confidence. Community members expressed varying degrees of trust in centralised institutions. Several submissions highlighted concerns that new entities might lack transparency and be more difficult for individuals and ratepayers to influence. There was a consistent call for transparency in governance, clear lines of accountability, and public oversight if a new organisation is formed. Submitters suggested mechanisms like community advisory panels, regular reporting to local councils, and clear processes for public engagement in decision-making.

## Council deliberations and decision

Council held a Water Services hearing on 8 July 2025. This meeting tabled all 127 written submissions for consideration and heard from 17 submitters who wished to address Council verbally at the hearing.

Council's decision on the future water services delivery model for drinking water and wastewater considered a range of matters, including (in no particular order):

- Community consultation.
- Financial implications, including debt and affordability.
- Impact on levels of service and compliance.
- Governance, control and accountability.
- Ability to demonstrate compliance with the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024.

The report to Council recommended Council approve Option 2: Joint water services organisation as the preferred option based on the decision-making framework presented to Council to inform deliberations.

**In consideration of all matters, Council resolved on 15 July 2025 that Mackenzie District water services delivery model is continued in-house delivery for drinking water, wastewater, and stormwater services.**

The decision to continue to in-house water services delivery, as opposed to the recommended joint water services organisation option, is reflective of Council's concern that insufficient time was available to fully consider all aspects of a move to a water services organisation, particularly how joint arrangements might be agreed on with neighbouring Councils. In the lead up to Council's decision, it was unclear which Councils would be a part of future arrangements, and by the time a decision was made it appeared just Timaru District Council was a willing and available partner. Council raised similar concerns to some members of the community about making this move right now, preferring instead to continue the in-house business unit to meet needs for the time being, giving Council the opportunity to make plan and make future arrangements at a more pragmatic pace.

**The previous Plan did signal an intention to continue to consider the WSCCO model, proposing a decision on potential future WSCCO be included in the 2027 Long Term Plan, with the new Council to discuss potential arrangements from early 2026.**

## Proposed model

### Proposed model to deliver financially sustainable water services

MDC will establish, jointly with TDC, an asset-owning WSCCO for drinking water and wastewater services, with a 1 July 2027 target date for commencement.

MDC considers that this date is achievable regarding interim establishment tasks and costs, will align with subsequent financial planning (Long-Term Plan) cycles for MDC, and will provide assurance for staff who have been through several years of uncertainty under various water reform proposals. MDC is also benefiting from initial work undertaken by TDC who had resolved in 2025 to establish a standalone WSCCO.

Further detail is outlined in the Implementation Plan below, MDC and TDC will ensure that the future WSCCO has the governance, capability and systems in place to deliver its mandated work programme to the standard required by legislation and expected by our communities.

A fit-for-purpose governance framework will give effect to the Local Water Done Well reform, and independent directors selected for their capability and experience in infrastructure delivery, financial oversight, and regulatory compliance will be appointed. All Board activities will be guided by a Statement of Expectations and evaluated against performance metrics aligned to customer outcomes, regulatory requirements, and long-term financial sustainability.

A staged operating model and resourcing plan will be developed and costed to ensure that the WSCCO has the necessary technical, commercial, and operational expertise at each phase of its establishment and growth.

Transitional support from the partner Council's existing services (e.g. finance, HR, IT) will be phased out as the organisation matures and becomes fully self-sufficient.

We will also embed asset and financial management systems aligned with industry standards, and the management team will oversee service delivery implementation focussing on assurance, risk management, and transparent reporting.

Financial ringfencing will separate drinking water and wastewater revenue expenditure, reserve funds, and debt from MDC activities. Financial contributions will continue to be collected and transferred to the WSCCO for the purpose of offsetting development's adverse impacts on water service infrastructure, as determined by the Revenue and Financing Policy.

### Transition

WSCCO establishment will take a staged approach with initial establishment from 1 July 2026 shifting to operational status by 1 July 2027.

A phased transition of operational components of water delivery to the WSCCO will therefore begin from 1 July, with the full transfer of responsibility and assets to be completed following the enactment of Bill 3. This model allows for:

- Progressive transition of services and establishment of processes to ensure continuity of level of service and customer experience
- Establishment of financing (with Council subject to LGFA timelines for establishing access for a WSCCO)
- Transfer of assets and obligations following the enactment of Bill 3 to ensure full compliance with new legislation
- Preparation of the updated Long Term Plan 2027-37 prior to full asset transfer
- The Councils setting of rates for 2026/27, enabling time for the WSCCO to establish and communicate any billing changes
- Response to regulatory, financial, or operational changes during transition; and

- Minimised disruption to staff to promote retention of water expertise and experience.

An Operational Delivery Agreement and Transitional Services Agreement will guide the operation and provision of services during the transition period, supported by staged staff transfers and progressive onboarding of core systems and capabilities. Oversight and management will be maintained by the WSCCO Board and Executive.

## **Asset transfer**

MDC will execute a full transfer of Drinking Water and Wastewater (including trade waste) assets, including infrastructure and physical assets, data, and consents via a Transfer Agreement, expected to occur at or about 1 July 2027.

## **Stormwater**

Although stormwater is included in the Act for consideration, stormwater management is complex with many assets delivering multiple outcomes for the community (e.g. water quality, recreation, ecology, and cultural values). It is also critical that stormwater management is fully integrated with other Council activities such as transportation, parks and recreation, property management, planning and building regulation to promote a catchment-based approach to surface water management. Stormwater assets are also difficult to separate out, for example where open channels cross public reserve land.

For these reasons MDC and TDC are retaining stormwater asset ownership. MDC will use the WSCCO for stormwater delivery and maintenance via a service agreement to negate the need to have a dedicated stormwater team in-house.

Reinforcing existing accounting rules/processes, MDC will ensure that stormwater services revenue continues to be ringfenced and therefore separate from other council finances. This includes the collection of targeted rates, financial contributions and other fees and charges, all of which are held separately from other Council activities. MDC will ensure the appropriate oversight of stormwater delivery priorities and investment programme and will ensure adherence to current and future stormwater regulations.

## Implementation plan

Implementing the proposed service delivery model	
Phases and Activities	Key Decisions/Decision Maker
<b><u>Phase 1: (March 2026)</u></b>	
<ul style="list-style-type: none"> <li>• Filing of MDC's WSDP with DIA.</li> <li>• Entering commitment agreement.</li> <li>• Establishing JSC and associated TOR.</li> <li>• Establishing Steering Group.</li> <li>• Initiate stormwater analysis.</li> <li>• Initiate workstream to comply with Commerce Commission information disclosure requirements.</li> </ul>	<p><u>Councils:</u></p> <ul style="list-style-type: none"> <li>• Enter commitment agreement.</li> <li>• Appoint JSC and approve its TOR.</li> <li>• Agree that the WO will be a company incorporated and registered under the Companies Act 1993.</li> </ul> <p><u>CSG:</u></p> <ul style="list-style-type: none"> <li>• Observing and advising the project.</li> </ul> <p><u>Steering group</u></p> <ul style="list-style-type: none"> <li>• Appointment of Project Manager and finance lead.</li> </ul>
<b><u>Phase 2: (April 2026)</u></b>	
<ul style="list-style-type: none"> <li>• Establishing CEG.</li> <li>• Preparing to begin making WO Board appointments.</li> <li>• Constitution and Shareholders' Agreement drafted.</li> <li>• Project Manager and finance lead appointed.</li> <li>• Steering Group establishes Project Group to deliver workstreams, indicative workstreams being:               <ul style="list-style-type: none"> <li>○ Foundational Documents and transfer</li> <li>○ Communications and engagement</li> <li>○ People</li> <li>○ Joint operating model</li> <li>○ Assets</li> <li>○ Property (inc. easements)</li> <li>○ Consents</li> <li>○ Key operational documents including bylaws</li> <li>○ Finances, billing, and LGFA</li> <li>○ Processes, reporting and compliance</li> <li>○ Systems and IT</li> <li>○ Customer service delivery, BAU and day one</li> <li>○ Risk Management</li> </ul> </li> <li>• DIA reporting.</li> </ul>	<p><u>DIA:</u></p> <ul style="list-style-type: none"> <li>• Considering MDCs updated WSDP.</li> </ul> <p><u>Councils:</u></p> <ul style="list-style-type: none"> <li>• Reviewing draft Constitution and Shareholders' Agreement.</li> </ul> <p><u>JSC:</u></p> <ul style="list-style-type: none"> <li>• Adopt a WO Board Skills matrix.</li> <li>• Appoint establishment chair / directors.</li> <li>• Appoint working group (CEG) which then observes and advises the project through to establishment.</li> <li>• Endorse procurement strategy.</li> </ul> <p><u>Steering Group:</u></p> <ul style="list-style-type: none"> <li>• Approve Project Manager's outputs (below).</li> </ul> <p><u>Project Manager:</u></p> <p>Develop:</p> <ul style="list-style-type: none"> <li>• Scope and Project Plan.</li> <li>• Project Budget.</li> <li>• Recommendations to Steering Group for Project Group.</li> <li>• Procurement strategy.</li> </ul>

<p><b><u>Phase 3: Early Establishment (1 May 2026 to December 2026)</u></b></p>	
<p>Provide information disclosure reporting to Commerce Commission by 30 June 2026:</p> <ul style="list-style-type: none"> <li>• Dividend statement</li> <li>• Policy for funding growth</li> <li>• Information about charges</li> </ul> <p>And by 1 July 2026 systems deliver actuals for reporting by 30 November 2027, for 26/27FY.</p> <p><u>Councils:</u></p> <ul style="list-style-type: none"> <li>• Establish WO company no later than 31 October 2026.</li> </ul> <p><u>JSC:</u></p> <ul style="list-style-type: none"> <li>• Govern project through WO director appointments, including immediate transition chair appointment, monitor board performance, and issue interim Statement of Expectations and then final Statement of Expectations by 31 December 2026.</li> </ul> <p><u>WO:</u></p> <ul style="list-style-type: none"> <li>• As accountability partner, drive the project to ensure minimum viable capability for operation on “Day One”: 1 July 2027.</li> <li>• Appoint (transition) CE and management.</li> <li>• Work with Project Team to develop joint operating model.</li> <li>• Organisational design, people planning and staff transfer and appointment process.</li> <li>• Contract planning.</li> <li>• Establishing finance, treasury and insurance functions.</li> <li>• Develop AM and IT systems.</li> <li>• Prepare Water Services Strategy.</li> <li>• Negotiate Transfer Agreements with each Council.</li> </ul> <p><u>Project Team:</u></p> <ul style="list-style-type: none"> <li>• Each workstream delivers the joint operating model, to inform the Transfer Agreement(s) and other business changes, specifically:             <ul style="list-style-type: none"> <li>○ systems and process planning for new model</li> <li>○ input to Statement of Expectations</li> <li>○ debt transition planning</li> <li>○ people change process and staff changes</li> </ul> </li> </ul>	<p><u>Expected DIA:</u></p> <ul style="list-style-type: none"> <li>• Approves MDCs amended WSDP.</li> </ul> <p><u>Councils:</u></p> <ul style="list-style-type: none"> <li>• Approve Constitution.</li> <li>• Endorse Shareholders’ Agreement.</li> <li>• Approve registration of company, including naming of company.</li> </ul> <p><u>JSC</u></p> <ul style="list-style-type: none"> <li>• Approve interim Statement of Expectations and then in December 2026 approve final Statement of Expectations.</li> </ul> <p><u>Councils</u></p> <ul style="list-style-type: none"> <li>• Transfer Agreements.</li> </ul> <p><u>Board</u></p> <ul style="list-style-type: none"> <li>• Consider and provide comment on draft Statement of Expectations.</li> <li>• Consider and provide comment on draft Transfer Agreements.</li> <li>• Develop Water Services Strategy.</li> <li>• CE appointment.</li> </ul>

<ul style="list-style-type: none"> <li>○ support delivery of BAU services until transitioned.</li> </ul>	
<p><b><u>Phase 4: Late establishment (1 January 2027 to 30 June 2027)</u></b></p>	
<p>As for Phase 3, but more focused on joint operating model establishment and implementation, transfer agreement negotiations, systems testing with WO acting at arm's length (note that up until 31 December 2026 an interim Statement of Expectations can be issued to the WO that provides "directions for the operation of the [WO]" and the "priorities for the [WO]" (see LG(WS) Act, s 225(4)).</p>	<p>Each Council negotiates transfer agreement with WO.</p> <p>WO consults on, and then adopts, Water Services Strategy by 30 June 2027.</p> <p>WO prepares other key policies (ie. SEP) and executes all other arrangements with the Councils.</p>
<p><b><u>Phase 5: Day One operations (1 July 2027)</u></b></p>	
<p>WO is responsible for provision of Water Services in Service Areas.</p> <p>Transitional services with Councils.</p>	
<p><u>Post establishment</u></p> <p>Note possibility of "mop up" transfer agreement and updating of bylaws and subsidiary plans.</p>	<p>Council and WO.</p>

## Assurance and adoption of the Plan

### Independent review

In addition to internal assurance processes, the following independent reviews have been completed:

- Independent assessment of proposed capital investment to meet regulatory requirements and standards.
- Independent assessment of financial sustainability, and review of the financial aspects of this WSDP.
- DIA feedback on the previous Water Services Delivery Plan submission and subsequent engagement.

### Council resolution to adopt the Plan

This Water Services Delivery Plan was adopted by Mackenzie District Council at the meeting of 24 March 2026

A copy of the resolution is available separately.

### Certification of the Chief Executive

I certify that this Water Services Delivery Plan:

- complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and
- the information contained in the Plan is true and accurate.



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Angela Oosthuizen

**Chief Executive Officer | Mackenzie District Council**

26 March 2026

## Part B: Network performance

### Investment to meet levels of service, regulatory standards and growth needs

#### Population trends and projections

##### Residents

Mackenzie District has a small residential population with just three main settlements of Fairlie, Takapō / Lake Tekapo, and Twizel. As of July 2022 60% of the population resided in these settlements, with the remainder residing in the smaller settlements of Burkes Pass, Albury, Kimbell, and rurally. The district has experienced strong growth, with population increasing by 40% from 2006 to 2020, this growth has been concentrated in Twizel and Takapō / Lake Tekapo while the population in Fairlie has remained relatively steady. Population growth is forecast to increase by a further 68% from 2024 to 2054, from 5,690 residents to 9,565 residents, this growth is expected to continue to focus on Twizel and Takapō / Lake Tekapo and Fairlie to a lesser extent.

##### Visitors

Mackenzie District attracts a large number of visitors, particularly compared to its small resident population. Most of the visitation is centred on Twizel and Mackenzie Lakes areas (comprising Takapō / Lake Tekapo and the rural areas in the district west of Burkes Pass). Visitors to the district are diverse, consisting of tourists on commercially organised bus tours, those staying in commercial accommodation (hotels, campsites, Airbnb's etc.), freedom campers, and visitors staying in private residences (either in usually unoccupied holiday homes or as guests in occupied households). The impact of these visitors is most felt during peak summer period where demand on water and wastewater is highest. Peak day visitor numbers are forecast to increase from 35,600 in 2024 to 65,300 in 2054, and peak day visitor nights from 18,900 to 34,200.

Council's provision of infrastructure to meet this peak demand results in under-utilised assets for much of the rest of the year. Visitor numbers are forecast to increase substantially over the next 30-years, so our investment to meet growth must account for this. Behaviour change will be an importance aspect to the future programme, seeking to reduce demand on treated drinking water and wastewater treatment and discharge.

Projected visitor population	2024	2054
Average day visitor nights	4,850	8,750
Average day visitor numbers	6,400	11,500
Peak day visitor nights	18,900	34,200
Peak day visitor numbers	35,600	65,300

## Industry

Over the last decade Mackenzie District has seen a change from pastoral farming to more intensive practices including logging, dairy conversions, cropping, and stock rearing / finishing. There has been growth in supporting commercial activities based in the three main towns, though overall industrial and commercial growth is modest, and Council's focus is on ensuring provision of enabling infrastructure at the right time to support sustainable growth. The Mackenzie Spatial Plan has identified priority areas for industrial and commercial growth at Twizel, Takapō / Lake Tekapo, and Fairlie.

## Serviced population

### Water Supply

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	3,930	3,939	4,019	4,101	4,184	4,269	4,356	4,445	4,534	4,626
Total Residential Connections	2,959	3,015	3,076	3,138	3,202	3,267	3,334	3,402	3,471	3,542
Total non-residential Connections	223	233	237	241	245	249	253	258	263	268
Properties not connected – that can be	738	691	644	597	550	503	456	409	362	315
Properties not connected – outside of service	1,105	1,118	1,140	1,163	1,186	1,210	1,234	1,259	1,284	1,310

### Wastewater

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	3,695	3,696	3,771	3,847	3,925	4,005	4,086	4,169	4,254	4,340
Total Residential Connections	2,726	2,784	2,840	2,897	2,956	3,016	3,077	3,139	3,203	3,268
Total non-residential Connections	233	233	237	241	245	249	253	258	263	268
Properties not connected – that can be	736	679	622	565	508	451	394	337	280	223
Properties not connected – outside service	1,340	1,361	1,388	1,416	1,445	1,474	1,504	1,534	1,565	1,596

### Stormwater

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	3,645	3,650	3,723	3,797	3,873	3,950	4,029	4,109	4,191	4,274
Total Residential Connections	3,412	3,417	3,485	3,554	3,625	3,697	3,770	3,845	3,921	3,999
Total non-residential Connections	233	233	237	241	245	249	253	258	263	268

Properties not serviced	1,390	1,407	1,417	1,445	1,473	1,502	1,532	1,562	1,593	1,624
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## Serviced areas

Serviced areas (by reticulated network)	Water supply 6 schemes	Wastewater 4 schemes	Stormwater 3 catchments
<b>Residential areas</b>	Fairlie/Kimbell, Takapō / Lake Tekapo, Twizel, Burkes Pass, Allandale, Albury (Downlands Supply)	Fairlie, Takapō / Lake Tekapo, Twizel, Burkes Pass (small-scale system)	Fairlie, Takapō / Lake Tekapo, Twizel
<b>Non-residential areas</b>	Allandale, Albury (Downlands Supply)	N/A	N/A
<b>Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)</b>	Albury Water Supply (Privately Administered, Operated by Committee)	N/A	N/A
<b>Proposed growth areas</b> <ul style="list-style-type: none"> <li>Planned (as identified in district plan)</li> <li>Infrastructure enabled (as identified and funded in LTP)</li> </ul>	Growth Areas Identified in District Plan, with planned expansions in Twizel, Takapō / Lake Tekapo, and Fairlie	Expansion projects in Twizel and Takapō / Lake Tekapo for wastewater network upgrades	Stormwater network expansions and flood protection for Fairlie, Twizel, and Takapō / Lake Tekapo

## Performance measures

### Water Supply Level of Service Reporting Measures (2023/24 Annual Report)

Council's non-compliance with Drinking Water Standards (part 4 and part 5) is primarily due to not engaging independent expert to review compliance, and water treatment plants not having water safety plans approved by a drinking water assessor. Council has undertaken a review of schemes against the Standards, and where issues have been identified has been actively investing in improvements to meet these. Council will continue to make improvement, including gaining approval for water safety plans.

Water supply complaints and ratepayer satisfaction both do not meet targets. A key issue in 2023/24 was a prolonged water restriction season due to low rainfall to meet water take consents. There was significant angst in the community about restricted use and excessive irrigation by some users. Better water management remains a more economical solution over increasing supply, Council will continue to improve data capture and sharing of this with users as part of future demand management initiatives.

Level of Service Measure	2023/24 Target	2023/24 Performance
1. Compliance with Drinking Water Standards (part 4) – Bacterial Compliance and Drinking Water Quality Assurance	≥95%	0%
2. Compliance with Drinking Water Standards (part 5) – Protozoal Compliance and Drinking Water Quality Assurance Rules	3 of 5	0 of 5
3. The percentage of real water loss from the networked reticulated system	≤25%	26%
4. Median response times to attend a call-out in response to a fault or unplanned interruption to the network reticulated system		
Attendance for urgent call outs	≤2hrs	1.2
Resolution of urgent call outs	≤12hrs	2.1
Attendance for non-urgent call outs	≤72hrs	2.6

Resolution for non-urgent call outs	≤120hrs	6.3
5. The total number of complaints received	≤5 per 1,000 connected properties	23.4
6. The percentage of ratepayers satisfied with the water supply service	≥80%	76%
7. Average consumption of drinking water per day per resident within the district	≤1.2m3	1.2m3

### Wastewater Level of Service Reporting Measures (2023/24 Annual Report)

ECAN recorded one significant non-compliance with action required, and one other non-compliance across our four wastewater treatment ponds. These have since been resolved but meant Council did not meet the compliance target for 2023/24. Ratepayer satisfaction is slightly below target, the primary concern being odour and blockages in the system. Council will continue to reline earthenware pipes and CCTV older parts of the network to identify and resolve issues.

Level of Service Measure	2023/24 Target	2023/24 Performance
1. The number of dry weather sewerage overflows from Council's sewerage system	≤2 per 1,000 connected properties	0.9
2. Compliance with Council's resource consents for discharge from its sewerage system		
Data within annual compliance reports	Compliant	Non-compliant
Abatement notices	0	0
Infringement notices	0	0
Enforcement orders	0	0
Convictions	0	0
3. Where the Council attends to sewerage overflows resulting from blockage or other fault in the Councils sewerage system, the following median response times measured		
Attendance time	≤1hr	0.7
Resolution time	≤4hrs	3.7
4. The total number of complaints received by Council	≤50 per 1,000 connected properties	10.3
5. The percentage of ratepayers satisfied with the wastewater service	≥85%	78%

### Stormwater Level of Service Reporting Measures (2023/24 Annual Report)

Council achieved all technical performance measures for stormwater, but as for water supply and wastewater did not meet the target for ratepayer satisfaction. The primary issue identified by this survey was debris / blockages in the Council system impacting private property. Council continues to assess risk and determine where greater resilience can be built into the system to minimise adverse effects.

Level of Service Measure	2023/24 Target	2023/24 Performance
1. The number of flooding events in the Mackenzie District	≤2	0
2. For each flooding event, the number of habitable floors affected	≤2 per 1,000 connected properties	0

3. Compliance with Council's resource consents for discharge from its stormwater system		
Abatement notices	0	0
Infringement notices	0	0
Enforcement orders	0	0
Convictions	0	0
4. The median response time to attend a flooding event	≤2hrs	N/A
5. The total number of complaints received about the stormwater system	≤5 per 1,000 connected properties	2.6
6. The percentage of ratepayers satisfied with the stormwater service	≥80%	59%

### Assessment of the current condition and lifespan of the water services network

Parameters	Drinking supply	Wastewater	Stormwater
<b>Average age of Network Assets</b>	25-30 years	35-40 years	30-35 years
<b>Critical Assets</b>			
<b>Above ground assets</b>			
• Treatment plants	6 water treatment plants	4 wastewater treatment plant	3 stormwater treatment areas
• Percentage of number of above ground assets with a condition rating	80% condition-rated	75% condition -rated	65% condition-rated
<b>Below ground assets</b>			
• Total km of reticulation	402.6 km	91.9 km	62.78 km
• Percentage of network with condition grading	85%	70% (condition grading improving with CCTV assessments)	50%
• Percentage of network in poor or very poor condition	20% (asbestos cement pipes, aging reservoirs)	56% (earthenware and asbestos cement pipes in wastewater system.	12% (Stormwater pipe network)

### Asset management approach

Council's asset management approach follows the International Infrastructure Management Manual (IIMM) as the guiding document, and we will continue to use this under an IBU. The IIMM was amended and reissued in 2015 and aligns to the ISO 55000 series, specifically this includes:

- ISO 55000 Asset Management Vocabulary, Overview and Principles.
- ISO 55001 Asset Management Certification, and;
- ISO 55002 Asset Management Systems, Guidelines for the application of ISO 55001

Council's asset management activities for water services include:

Activity	Objective
<b>Strategic Planning</b>	AMP supports the achievement of the relevant Council Community Outcomes and Infrastructure Strategy
	To develop Levels of Service aligned with strategies and plans
	To develop the professional skills of the staff through adequate training and experiences
<b>Data Management</b>	To develop and optimise the asset register and develop functionality in line with business needs
	Appropriate data collection programmes (condition, performance, asset registers) are closely aligned with business needs and are implemented in accordance with documented quality processes
	To ensure the asset data are subject to defined quality assurance processes
<b>Business Processes</b>	To ensure the AMP is a strategic 'living' document through regular updating and 3 yearly reviews
	Risk Management is an essential part of Asset Management and will be managed by the implementation of risk mitigation measures to maintain risk exposure at acceptable levels including but not limited to maintaining emergency response planning, condition monitoring of critical assets, preventative maintenance, development and implementation of operations manuals and standards
	To document, review and implement quality processes
<b>Monitoring</b>	To ensure agreed service levels and appropriate for demand
<b>Financial</b>	To ensure expenditure programmes are in accordance with funding and budget preparation policies and procedures
	To ensure systems are managed in a financially sustainable manner over the long term

## Statement of regulatory compliance

*The purpose of this section is to describe:*

**Any expired consents that are currently being renewed under section 124 Resource Management Act 1991:** No consents are currently being renewed under section 124 Resource management Act 1991.

**Any active resource consent applications:** No resource consents are under active application.

**Whether and to what extent water services comply with current regulatory requirements:** Consents are held for water takes and discharges as is appropriate for the activity. Minor improvements are required in administrative and reporting thoroughness, particularly with regard to wastewater and stormwater consents. There are occasional gaps in water reporting data continuity and sampling accuracy requiring minor improvement in administrative processes.

Wastewater treatment performance and discharge quality are significant challenges for the Twizel, Tekapo, and Fairlie communities where compliance is unable to be consistently achieved. Wastewater and water volumes exceed permitted levels on occasion for some communities.

There are insufficient barriers to contamination to meet the protozoa removal requirements for the Allandale and Albury water supply communities and achieving continuous, uninterrupted high frequency data records has proven challenging for many sites. While water treatment at the balance sites is typically producing compliant water there are times where individual water treatment parameters fall below the compliance threshold. Water use efficiency may not meet current guidelines and is the subject of current smart-metering projects.

Stormwater consents often include controls necessary for the construction phase of land development works, and compliance during this phase has proven problematic at times.

**Whether and to what extent water services will comply with any anticipated future regulatory requirements:** Wastewater treatment processes are not expected to meet future treatment standards due to limitations in process and upgraded processes will be required. Without upgrading, Allandale and Albury water supplies will continue to not meet water quality standards.

**Whether any water services are not expected to comply with current regulatory requirements or are not expected to comply with any anticipated future regulatory requirements:**

- Wastewater treatment processes are insufficient to achieve the current or anticipated future treatment requirements. This will be addressed by process upgrading.
- Water treatment processes are insufficient to achieve the current or anticipated future treatment requirements. This will be addressed by process upgrading.
- Stormwater treatment during construction phase will require additional attention and management of, most likely, very similar to current controls.
- Process upgrading will be delivered through a combination of in-house resources providing funding arrangements, scoping, and project management, with specialist assistance engaged to undertake concept, design and construction.
- The upgraded treatment processes would be expected to meet regulatory requirements. Training, monitoring and reporting actions will adjust to meet the needs of the upgraded treatment processes.

#### Drinking Water Supply

Scheme	Consent	Expiry	Bacterial Compliance	Protozoa Compliance	Chemical Compliance	Boil Water Notices in Place	Fluoridation	Average Consumption	Purpose for use	Additional Comments
Albury	CRC990686	20/01/2034	NO	NO	NO	NO	N/A - MDC does not fluoridate water	<1.2m3	Take Water	
Allandale	CRC080124.1	19/10/2030	NO	Yes 2024 – boil notice applied	NO	No	N/A - MDC does not fluoridate water	<1.2m3	Take Water	Allandale – Future application required for water take transfer to Fairlie. Allandale also does not have hydrants, so properties need a tank for firefighting.
Burkes Pass	CRC971594	29/10/2032	NO	NO	NO	NO	N/A - MDC does not fluoridate water	<1.2m3	Divert Water	does not have hydrants so properties need a tank for firefighting.
Fairlie	CRC176495	19/08/2044	NO	NO	NO	YES in 2024	N/A - MDC does not fluoridate water	<1.2m3	Take Water	

Takapō / Lake Tekapo	CRC971414	13/08/2033	NO	NO	NO	YES in 2024	N/A - MDC does not fluoridate water	<1.2m3	Take Water	
Twizel	CRC042741	20/08/2047	NO	NO	NO	YES in 2024	N/A - MDC does not fluoridate water	<1.2m3	Take Water	

### Wastewater

Scheme	Consent	Expiry	Purpose	Non-compliance risk	Compliance actions last 24 months
Twizel	CRC172311	11/04/2053	Discharge to LAND and AIR	Wastewater treatment processes are insufficient to achieve the current or anticipated future treatment requirements	The compliance risks will be addressed by process upgrading and while this is currently ongoing the processes would be expected to meet regulatory requirements.
Twizel	CRC172310	11/04/2053	Use land to store contaminants		
Takapō / Lake Tekapo	CRC042914	18/03/2040	Discharge to LAND		
Burkes Pass	CRC992607	07/06/2040	Discharge to LAND		
Burkes Pass	CRC992650	07/06/2040	Discharge to AIR		
Fairlie	CRC992608.1	17/12/2038	Discharge to LAND and AIR		

### Stormwater

Scheme	Consent	Expiry	Purpose	Non-compliance risk	Compliance actions last 24 months
Takapō / Lake Tekapo	CRC157319	03/08/2050	Discharge to stormwater to water	Minor improvements are required in administrative and reporting thoroughness particularly with regard to stormwater. Stormwater consents often include controls necessary for the construction phase of land development works, and compliance during this phase has proven problematic at times.	Stormwater treatment during construction phase will require additional attention and management of, most likely, very similar to current controls.
Takapō / Lake Tekapo	CRC146447	24/09/2039	Discharge contaminants to and water		
Takapō / Lake Tekapo	CRC146445	24/09/2039	Stormwater outfall structure		
Takapō / Lake Tekapo	CRC141077	23/12/2049	Discharge Stormwater to water		
Takapō / Lake Tekapo	CRC042748	18/02/2040	Discharge Stormwater to water		
Twizel	CRC042742	18/02/2040	Discharge Stormwater to water		
Twizel	CRC243844	01/04/2029	Discharge Stormwater to water		
Pukaki Airport	CRC2084922	09/09/2043	Discharge contaminants to land		
Pukaki Airport	CRC081120	07/12/2042	Discharge Stormwater to ground		

## Capital expenditure required to deliver water services and ensure that water services comply with regulatory requirements

As described in Part A, this WSDP proposed a modified capital programme to that of the current 2024 Long Term Plan and Infrastructure Strategy. The intent is to bring forward / add critical improvements in Years 1-10 to ensure continued compliance of wastewater schemes. The intent is not to wait for consents to expire, instead Council wishes to ensure appropriate investment is made at the right time. This section summarises key investments for each scheme that are expected to ensure Council achieves agreed levels of service expectations, ensures compliance with future regulatory requirements, and provides for growth.

### Water Supply

Scheme	Timing	Cost (uninflated)	Description
Takapō / Lake Tekapo	2026/27	\$1,000,000	Chlorine conversion and enabling works.

### Wastewater

Scheme	Timing	Cost (uninflated)	Description
Takapō / Lake Tekapo	2024/25 – 2027/28	\$8,006,000	Stage 1 Takapō / Lake Tekapo WWTP end-of-life extension: upgrade to extend life to consent expiry, involves screening, pre-treatment, aeration, new pond with additional capacity, remove existing pond due to resilience risk on slope above river.
	2035/36	\$5,000,000	Stage 2 Takapō / Lake Tekapo WWTP end-of-life extension: UV installation.
	2043/44 – 2044/45	\$20,000,000	New Takapō / Lake Tekapo WWTP: likely to move to a membrane process.
Twizel	2025/26	\$100,000	Twizel infiltration basin performance improvements.
	2029/30 – 2035/36	\$14,320,000	Network growth upgrades: storage and North West Arch Pipe upsizing.
	2034/35	\$5,000,000	Twizel WWTP UV upgrade.
	2051/52 – 2052/53	\$22,000,000	Twizel WWTP including algae plant removal.
Fairlie	2025/26	\$100,000	New aerator at WWTP.
	2026/27 – 2028/29	\$10,000,000	Fairlie treatment plant upgrades: a major project to improve treatment process and environmental compliance, particularly during wet weather events. This project is likely to include a range of staged investments including aeration, backend treatment, and septage pre-treatment. This project has been advanced to ensure continued compliance through to consent expiry.
	2036/37 – 2038/39	\$40,000,000	Treatment plan upgrade / replacement: timed to coincide with expiration of the current consent and in anticipation of new consent conditions and environmental standards.
Burkes Pass	2025/26 – 2027/28	\$3,130,000	Burkes Pass additional pond, includes land acquisition and power connection.
	2039/40	\$7,000,000	Burkes Pass WWTP upgrade / replacement for new consent.

## Stormwater

Scheme	Timing	Cost (uninflated)	Description
Twizel	2029-36	\$9,200,000	Stormwater network growth upgrades – storage and North West Arch pipe upsizing.
Fairlie	2025-27	\$500,000	Stormwater pipe upsizing
Takapō / Lake Tekapo	2032/33	\$930,000	Lochinvar & Lakeside stormwater treatment – filter media replacement and disposal site improvements.

The following provides financial details of planned investment to meet levels of service, known regulatory standards and projected growth (based on LTP estimates and master planning), within the 10 years of this WSDP.

Projected investment in water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Drinking Water</b>										
Capital expenditure - to meet additional demand	8.5	418	611	437	447	456	466	475	485	494
Capital expenditure - to improve levels of services	550	542	2,229	2,248	55	112	228	1,408	119	121
Capital expenditure - to replace existing assets	243	450	556	196	397	864	996	567	502	572
<b>Total projected investment for drinking water</b>	<b>1,202</b>	<b>1,410</b>	<b>3,396</b>	<b>2,881</b>	<b>899</b>	<b>1,432</b>	<b>1,690</b>	<b>2,450</b>	<b>1,106</b>	<b>1,187</b>
<b>Wastewater</b>										
Capital expenditure - to meet additional demand	880	1,072	7,692	4,657	547	2,882	2,966	1,920	593	5,333
Capital expenditure - to improve levels of services	0	20	1,067	4,304	5,493	78	0	0	0	0
Capital expenditure - to replace existing assets	220	337	460	525	481	559	1,152	628	641	653
<b>Total projected investment for wastewater</b>	<b>1,100</b>	<b>1,429</b>	<b>9,219</b>	<b>9,486</b>	<b>6,521</b>	<b>3,519</b>	<b>4,118</b>	<b>2,548</b>	<b>1,234</b>	<b>5,986</b>
<b>Stormwater</b>										
Capital expenditure - to meet additional demand	200	204	209	214	219	223	228	233	1,341	242
Capital expenditure - to improve levels of services	0	0	0	54	274	56	0	0	0	0
Capital expenditure - to replace existing assets	0	232	293	0	0	1,173	1,198	0	0	0
<b>Total projected investment for stormwater</b>	<b>200</b>	<b>436</b>	<b>502</b>	<b>268</b>	<b>493</b>	<b>1,452</b>	<b>1,426</b>	<b>233</b>	<b>1,341</b>	<b>242</b>
<b>Total projected investment in water services</b>	<b>2,502</b>	<b>3,275</b>	<b>13,117</b>	<b>12,635</b>	<b>7,913</b>	<b>6,403</b>	<b>7,234</b>	<b>5,231</b>	<b>3,681</b>	<b>7,415</b>

Local Water Done Well requires that we must deliver water services in a financially sustainable way, while also ensuring we provide for growth and meeting regulatory standards. The section below highlights significant capital projects included in projected investment requirements, the key drivers for investment for each water activity and the significant projects. Further detail is included in the Significant capital projects section of this WSDP.

## Part C: Revenue and financing arrangements

### Revenue and charging arrangements

#### Water supply charging and billing arrangements

##### Current arrangements for water supply

Urban water supply currently uses targeted rates in the form of fixed charges to fund the activity:

- Water Treatment Rate on rating units located in Fairlie, Twizel, Takapō / Lake Tekapo, and Burkes Pass (except those rating units receiving a metered water supply) to fund the cost of urban water treatment.
- Water Infrastructure Rate on rating units located in Fairlie, Twizel, Takapō / Lake Tekapo, and Burkes Pass (except those rating units receiving a metered water supply) to fund the cost of urban water supply infrastructure services, including maintenance, depreciation, and the servicing of loans.
- Metered Water Rate a fixed amount per property on any separately used or inhabited part of a rating unit which receives a Council water metered supply (Fairlie, Twizel, Takapō / Lake Tekapo, Burkes Pass, Rural).

Rate	Factor	Estimated Revenue 2024/25
Treatment Fixed Charge	\$95.39 per connected SUIP	306,016
Infrastructure Fixed Charge	\$525.08 per connectable SUIP	2,071,978
Metered Water Fixed Charge	\$620.48 per metered supply per SUIP	131,543
		<b>2,509,537</b>

Rural water supply applies a variety of fixed and unit charges by scheme to fund the costs of maintenance, depreciation, and the servicing of loans. In general, these charges only partly fund the total cost for each scheme, so other water services revenue is required to fund the shortfall.

Rate	Factor	Estimated Revenue 2024/25
Allandale Water Supply	\$299.08 per unit	152,297
Fairlie Water Race Fixed Charge	\$30.00 per rating unit	870
Fairlie Water Race	\$4.32 per hectare	3,001
Spur Road Water Supply	\$437.62 per unit	29,320
Downlands Water Fixed Charge	\$722.00 per rating unit	41,154
Downlands Water Supply	\$289.00 per unit	62,424
		<b>289,066</b>

##### Future arrangements for water supply

MDC has begun to introduce volumetric charging for urban water supplies (Fairlie, Twizel, Takapō / Lake Tekapo, and Burkes Pass). This will be progressively introduced as smart water meters are installed across all connected properties in the district, currently Twizel is the only town that has universal coverage. Future rollout and the approach taken will be determined by the WSCCO.

MDC's intention was to keep water supply charges low for below average users, with high users paying a fairer share of their actual usage. In 2024/25 analysis of Twizel water meters shows that 10% of connected properties consume 49% of the total metered water volume. Currently these ratepayers pay the same amount as the rest of the district, so their usage is being significantly subsidised by average and low users.

#### Wastewater charging and billing arrangements

##### Current arrangements for wastewater

Wastewater Targeted Rates on rating units located in Fairlie, Twizel, Takapō / Lake Tekapo, and Burkes Pass:

- Sewage Treatment Rate.

- Sewerage Infrastructure Rate.

Rate	Factor	Estimated Revenue 2024/25
Treatment Fixed Charge	\$81.43 per SUIP	265,650
Treatment Additional Charge	\$20.35 for each additional water closet	16,869
Infrastructure Fixed Charge	\$269.11 per connectable SUIP	1,074,302
Infrastructure Additional Charge	\$67.28 for each additional water closet	55,774
		<b>1,412,595</b>

### Proposed future arrangements for wastewater

The WSCCO will determine future charging mechanisms which may include:

- Development or financial contributions.
- Trade waste charges.
- Potential for differential charges based on connection size to account for domestic and non-domestic connections.

## Stormwater charging and billing arrangements

### Current arrangements for stormwater

Urban Stormwater Rate on rating units in Fairlie, Twizel, and Takapō / Lake Tekapo to fund the costs of Council's urban stormwater reticulation.

Rate	Factor	Estimated Revenue 2024/25
Fixed Charge	\$59.12 per SUIP	<b>233,478</b>

### Proposed future arrangements for stormwater

No changes proposed for stormwater charging and billing arrangements.

## Development and financial contributions

MDC does not currently levy any development contributions under the provisions of the Local Government Act 2002.

Financial contributions are levied under the provisions of the Resource Management Act 1991 and incorporated into relevant sections of the Mackenzie District Plan. Financial contributions are currently levied for water, wastewater, and stormwater infrastructure. Any contributions collected for drinking water or wastewater will be transferred to the WSCCO.

Central Government has recently announced plans for new infrastructure funding and finances tools, including replacement of development contributions with a development levy system and increasing the flexibility of targeted rates by allowing local authorities to set targeted rates that only apply to new developments. MDC, TDC, and the WSCCO will continue to review and update its Development and Financial Contributions Policy to meet any changes to relevant legislation and ensure developers pay a proportionate cost of capital expenditure necessary to service growth. Ringfencing water services revenue

The WSCCO will derive revenue for drinking water and wastewater via targeted fixed charges and/or user charges, and MDC will collect revenue for stormwater via targeted fixed charges. No revenue will be sourced from general rates that cannot be directly attributed to water services. Any development or financial contribution policy will clearly identify the component attributable to water services, with this held in the appropriate account when received.

Currently MDC does not maintain separate reserve accounts for the water services activity. This approach will be implemented so any reserves are clearly identifiable and separate from the rest of Council.

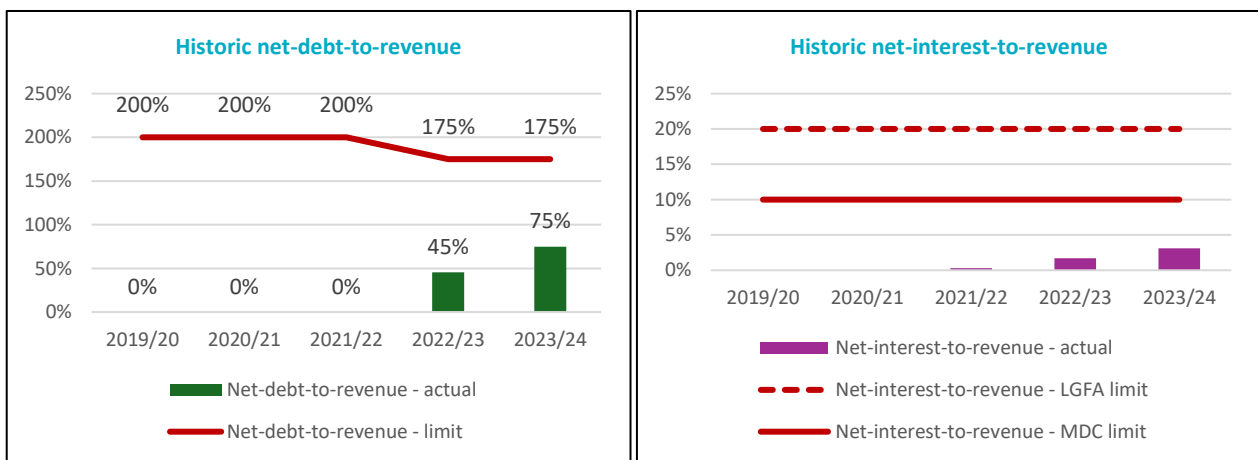
## Funding and financing arrangements

### Water services financing requirements and sources

Council's borrowing limits for all council activities are set by the Local Government Funding Agency, and Council's own Long Term Plan Financial Strategy. As at 2024/25 these limits are as presented below, note that Council currently has a lower limit for Net Interest / Total Revenue compared to what is allowed by LGFA.

Financial Covenant	LGFA Limits	Council Financial Policy Limits (2024/25)
Net Debt / Total Revenue	<175%	<175%
Net Interest / Total Revenue	<20%	<10%
Net Interest / Annual Rates Revenue	<25%	
Liquidity	>100%	

Council has remained comfortably within its LGFA and self-imposed borrowing limits, as at the 2023/34 Annual Plan net-debt-to-revenue was 74.6% and borrowing costs were 3.1% of revenue.



### Projected borrowing requirements

Over the forecast period, water services in Mackenzie are forecast to require \$47m new borrowings to make the necessary capital investment to meet regulatory, growth, and level of service obligations. The borrowing limit for a WSCCO is up to 500% of operating revenue when within LGFA covenants. The WSCCO borrowings are expected to remain within this limit in all ten years across both the Mackenzie and Timaru investment programmes.

The financial strategy for funding water services involves a blend of approaches: rates/fees and charges will cover operating expenditure and debt repayments; development contributions will fund limited growth-related capital expenditure; borrowing will finance capital expenditure to maintain or improve levels of service; and depreciation funding will support renewal capital expenditure, both for current needs and investment for future renewals.

### Internal borrowing arrangements

With the establishment of the WSCCO all new borrowings beyond 1 July 2025 are assumed to be external, this WSDP makes no provision for new internal borrowing arrangements over the next 30-years. However, these may be considered based on cost/benefit analysis of expected returns on the investment versus costs of borrowing and the liquidity position of the Council. Internal borrowings will be drawn as per separate Council resolution and will be separately recorded for the respective three waters activity.

## Determination of debt attributed to water services

Council currently has one loan attributed to the Urban Water activity.

Loans	Opening 1-July-2023	2023/24 New Debt	2023/24 Repayment	Closing 30-June-2024
Urban Water	\$249,679	-	\$13,141	\$236,538

There is also a loan to the Allandale Water Scheme.

Loans	Opening 1-July-2023	2023/24 New Debt	2023/24 Repayment	Closing 30-June-2024
Allandale Water	\$3,325,000	\$6,000,000	\$175,000	\$9,150,000

There is a reserve account for Urban Water that is in deficit, so could be considered an internal loan however this has not been formalised as such. This WSDP treats this as debt, which is transferred to the joint WSCCO.

Operating Reserves	Opening 1-Jan-24	Closing 30-June-224 before interest	Interest
Urban Water	\$5,221,134	\$4,677,280	\$98,443

## Insurance arrangements

All above-ground infrastructure assets are currently insured by MDC. The in-ground assets are not insured. MDC keeps a \$3M cash reserve balance to part fund any repairs and relies on Central Government assistance for repairs as a result of any natural disaster. **MDC is currently exploring insurance arrangements for these assets, with the intention to secure insurance ahead of or as part of WSCCO establishment.**

The WSCCO will also require additional insurances, including directors' and officers' insurance and business continuity insurance to manage revenue risk in the event of a natural disaster. The WSCCO may consider potential different approaches to insurance, including the level of excess and self-insurance it is willing to accept.

## Part D: Financial sustainability assessment

### Confirmation of financially sustainable delivery of water services

The previous Plan submitted in 2025 demonstrated how Council could each of these requirements via the continued in-house delivery model, albeit with acknowledgement of future challenges and constraints.

The underlying investment, revenue, and financing assumptions and forecasts remain unchanged in this updated version, however the shift from in-house to WSCCO delivery model is expected to substantially improve the ability to make the necessary investment in Mackenzie's water services, and fund this through sufficient and affordable revenue and financing arrangements.

The section below presents forecast figures for Mackenzie and Timaru combined, with the narrative focused on MDC's inputs and assumptions. A key activity for 2026/27 is development of the first set of joint / aligned water services Activity Management Plans and the Water Services Strategy which will develop a comprehensive joint programme of investment across both districts. Future WSCCO revenue and financing requirements will be set based on this.

### Confirmation of financially sustainable delivery of water services by 30 June 2028

This Plan requires Council to demonstrate financial sustainability of water services by 30 June 2028, this requires:

- 'Investment sufficiency' – projected investment is sufficient to meet levels of service, regulatory requirements and provide for growth; and
- 'Revenue sufficiency' - sufficient revenue to cover the costs (including servicing debt) of water services delivery;
- 'Financing sufficiency' - funding and financing arrangements are sufficient to meet investment requirements.

Council's 30-year investment programme demonstrates Investment Sufficiency; it is a modified programme based on the 2024 Long Term Plan & Infrastructure Strategy with a focus on:

- Ensuring compliance with current consent conditions.
- Improvements in advance of increased requirements when new consents are needed.
- Delivering maintenance and renewals at an appropriate rate to ensure whole-of-life value.
- Achieving agreed levels of service.
- Meeting growth projections.

The financial information provided in this Plan is based entirely on funding this 30-year programme. As stated, an increase in water services revenues is proposed in anticipation of the future investment requirements. This is forecast to commence from 2027/28 (WSCCO establishment and Year 1 of the next Long-Term Plan) and is a substantial increase compared to the current 2024 Long-Term Plan forecast, reflecting that water revenues are insufficient to meet current and future requirements.

Alongside increased revenues, borrowing is needed to fund the capital programme resulting in an increase in net debt from 2037 onward (for wastewater treatment plant projects).

Increasing water services revenue is critical to ensure a sustainable approach to debt through:

- Beginning to build reserves to fund renewals, instead of fully funding these via debt.
- Ensuring sufficient revenue to pay finance costs alongside other operating expenditure.
- Setting appropriate operating revenue to ensure the WSCCO can remain within its LGFA debt limits.

- Building and maintaining appropriate reserves as debt is paid down.

By taking a 30-year view and making the necessary changes now Council is confident that water services delivery will become financially sustainable by 30 June 2028.

## Actions required to achieve financially sustainable delivery of water services

The primary action to ensure financial sustainability is for the WSCCO to set water services revenues at an appropriate level to meet future operating and capital expenditure requirements.

As evidenced by this WSDP, MDC currently lacks meaningful reserves and water services revenues are set too low so, a step-change is needed and the longer this is delayed the larger the step required to meet future investment needs.

In its endorsement of the previous WSDP, Council committed to making change to water services revenues, expected to be consulted on and adopted through the 2027 Long Term Plan process. With the establishment of the WSCCO Council remains committed to ensuring the new organisation achieves this.

## Risks and constraints to achieving financially sustainable delivery of water services

### **Risk: Capex programme is materially different from projection**

The current programme has been independently reviewed and is considered a fair view of required investment. The programme will be revised annually to ensure it remains fit-for-purpose.

### **Risk: Real inflation is higher than projected**

A relatively modest increase in annual inflation may have a substantial impact on the true cost of the 30-year programme, this has potential to impact the WSCCO's ability to fully fund capital projects.

### **Risk: Legislation is yet to be confirmed**

Much of the future capital programme, especially for wastewater, is based on assumed requirements that are yet to be implemented either through legislation or standards. The WSCCO and MDC will ensure they monitor incoming legislation to understand potential impacts and engage with the regulators on this.

### **Risk: Unexpected borrowing**

While the WSCCO's debt headroom is expected to be sufficient to fund the 30-year programme, if an unexpected event occurs which requires substantial borrowing the WSCCO may not be able to fully deliver the capital programme and stay within LGFA limits.

### **Constraint: inability to collect revenue for water services from visitors**

Much of the demand for infrastructure, particularly the ability to meet peak demand, is due to demand from visitors to the region who do not contribute to water rates or charges, creating a high financial burden on a relatively small number of ratepayers. Council and the WSCCO will continue to seek alternate sources of funding, including potential for revenue streams via new or existing taxes with central government (e.g. bed tax, sharing of GST).

## Financial sustainability assessment - revenue sufficiency

### Projected water services revenues cover the projected cost of delivering water services

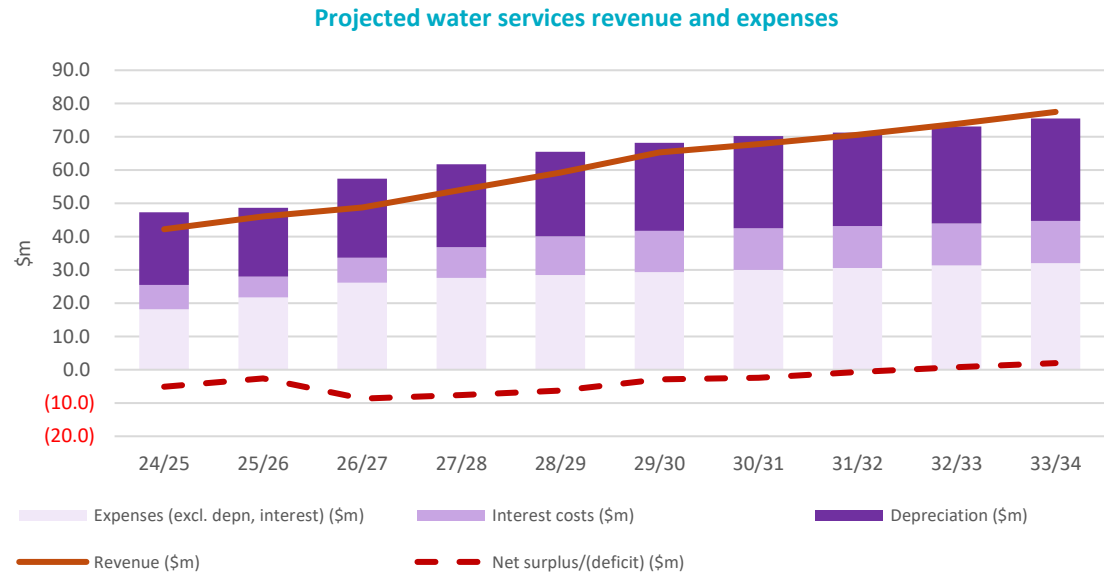
MDC’s forecast revenue was calculated on a 30-year basis, to ensure sufficient borrowing leverage later in the 30-year programme to fund major capital renewals and improvements at wastewater treatment plants.

WSSCO revenue is forecast to increase over the 10-year period and will exceed expenses from Year 9. This ensures there is sufficient revenue to ensure the WSO’s long-term investment in delivering all waters services, including continued compliance with regulatory standards and requirements.

Surpluses in later years will be used to build reserves to an appropriate level.

### Average projected charges for water services over FY2024/25 to FY2033/34

MDC’s 2024/25 water services charges as a percentage of household income are 1.2%, this is low relative to equivalent Councils nationally. The table below shows projected average charges for Mackenzie and Timaru combined, with a high of 2.4% still considered affordable based on benchmark data.



Projected average charge per connection / rating unit (including GST)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Drinking water	821	897	1,047	1,205	1,384	1,572	1,591	1,620	1,664	1,698
Wastewater	367	456	461	466	478	501	547	594	631	679
Stormwater	232	234	273	311	312	328	330	328	342	365
<b>Average charge per connection / rating unit</b>	<b>1,420</b>	<b>1,587</b>	<b>1,781</b>	<b>1,981</b>	<b>2,175</b>	<b>2,401</b>	<b>2,468</b>	<b>2,543</b>	<b>2,638</b>	<b>2,742</b>
Projected increase in average charge	8.7%	11.8%	12.2%	11.2%	9.8%	10.4%	2.8%	3.0%	3.7%	4.0%
<b>Water services charges as % of median household income</b>	<b>1.7%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>2.1%</b>	<b>2.2%</b>	<b>2.4%</b>	<b>2.4%</b>	<b>2.3%</b>	<b>2.4%</b>	<b>2.4%</b>

## Projected operating surpluses/(deficits) for water services

Water services are forecast to have an overall operating deficit until Year 7 of the programme. As water charges begin to substantially increase this additional operating expenditure is covered by the higher total revenue and the activity returns to surplus.

Operating surplus ratio (whether revenues cover costs)	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating surplus/(deficit) excluding capital revenues – combined water services (\$k)	(3,813)	(1,356)	(7,464)	(6,609)	(5,150)	(1,815)	(1,310)	439	1,915	3,182
Total operating revenue – combined water services (\$k)	42,220	46,053	48,780	54,051	59,242	65,307	67,828	70,581	73,870	77,486
<b>Operating surplus ratio</b>	<b>(9.0%)</b>	<b>(2.9%)</b>	<b>(15.3%)</b>	<b>(12.2%)</b>	<b>(8.7%)</b>	<b>(2.8%)</b>	<b>(1.9%)</b>	<b>0.6%</b>	<b>2.6%</b>	<b>4.1%</b>

## Projected operating cash surpluses for water services

Water services are forecast to have a net operating surplus (operating surplus/(deficit) + depreciation + interest costs – capital revenues)

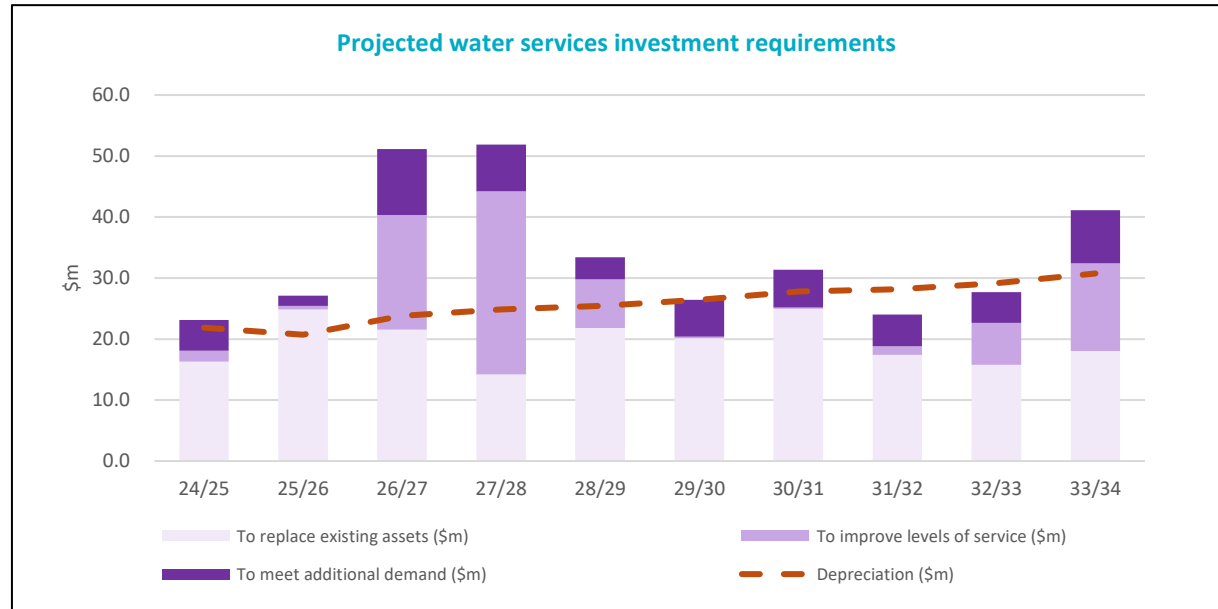
Operating cash ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating surplus/(deficit) + depreciation + interest costs - capital revenue (\$k)	25,340	25,602	23,854	27,460	31,821	37,059	38,974	41,137	43,652	46,652
Total operating revenue (\$k)	42,220	46,053	48,780	54,051	59,242	65,307	67,828	70,581	73,870	77,486
<b>Operating cash ratio</b>	<b>60.0%</b>	<b>55.6%</b>	<b>48.9%</b>	<b>50.8%</b>	<b>53.7%</b>	<b>56.7%</b>	<b>57.5%</b>	<b>58.3%</b>	<b>59.1%</b>	<b>60.2%</b>

## Financial sustainability assessment - investment sufficiency

### Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth

The revenue and financing arrangements discussed in this Plan are based on ensuring sustainable and affordable investment in Mackenzie’s water services.

MDC’s component of the expenditure shown here is a modified programme based on the 2024 LTP and Infrastructure Strategy, with some increased investment in Y1-Y10 to improve wastewater treatment plant performance. Much of the major investment in water services is not required for some time, with just 21% of MDC’s total capital expenditure occurring in the first 10-years, compared to 45% in the following 10-years. These large spikes in investment are due to wastewater consent expiry dates, with major investment to replace existing assets and carry out upgrades to improve levels of service and meet additional demand timed to occur at these dates.



### Renewals requirements for water services

The asset sustainability ratio is generally negative through the 10-years of the WSDP highlighting that revenue is currently set too low to appropriately invest in asset renewals, a historic trend the WSCCO will seek to address. Historically MDC has intended to fund major treatment plant renewals through debt, and not depreciation reserves, considering it more appropriate for future users of these plants to fund them, and not desirable to build depreciation reserves to the level that would be required. So, a negative value has been considered appropriate but is forecast to improve to 30-40% as revenues increase and better match forecast depreciation on the reticulated networks.

Asset sustainability ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure on renewals – all water services assets (\$k)	16,277	24,876	21,575	14,178	21,795	20,152	24,968	17,418	15,787	18,010
Depreciation – all water services assets (\$k)	21,857	20,715	23,817	24,874	25,409	26,444	27,786	28,142	29,174	30,746
<b>Asset sustainability ratio</b>	<b>(25.5%)</b>	<b>20.1%</b>	<b>(9.4%)</b>	<b>(43.0%)</b>	<b>(14.2%)</b>	<b>(23.8%)</b>	<b>(10.1%)</b>	<b>(38.1%)</b>	<b>(45.9%)</b>	<b>(41.4%)</b>

## Total water services investment required over 10 years

MDC’s component of the joint programme proposes a \$21.9m increase in investment outlined for the same period in the 2024 Long Term Plan. This is a result of improved evidence and information identifying potential risks to continued compliance at several wastewater treatment plants across the district. Accordingly, investment has been increased to ensure continued compliance with regulatory requirements, and to ensure that growth can be accommodated.

MDC will continue to review the programme and as part of WSCCO establishment has an ongoing project that will further develop the 10-year and 30-year capital programme, including improving engineering and cost-estimation to develop a higher level of confidence in long-term forecasts. This confidence is important as to ensure the WSCCO has robust evidence for decision making and is able to make prudent asset management and financial decisions now in anticipation of future expenditure. It is important that we strike the right balance and do not drive an unreasonable burden on both the current and future generations of ratepayers / customers.

The 30-year forecast developed for this WSDP will form the basis of MDC’s Asset Management Plan updates to inform the 2027 Water Services Strategy, Long-Term Plan, and Infrastructure Strategy.

Asset investment ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Capital expenditure – all water services assets (\$k)	23,105	27,132	51,170	51,895	33,434	26,424	31,367	24,012	27,696	41,123
Depreciation – all water services assets (\$k)	21,857	20,715	23,817	24,874	25,409	26,444	27,786	28,142	29,174	30,746
<b>Asset investment ratio</b>	<b>5.7%</b>	<b>31.0%</b>	<b>114.8%</b>	<b>108.6%</b>	<b>31.6%</b>	<b>(0.1%)</b>	<b>12.9%</b>	<b>(14.7%)</b>	<b>(5.1%)</b>	<b>33.8%</b>

## Average remaining useful life of network assets

MDC’s asset consumption ratio remains relatively unchanged over the next 10-years and is forecast to considerably improve rising to 84% by 2043/44 (Y20) and remaining at this level for the remainder of the next 30-years. This reflects the increased level of investment proposed, reducing the burden on future consumers to replace water services network and treatment assets.

Asset consumption ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Book value of water infrastructure assets (\$k)	897,461	906,115	996,738	1,026,479	1,037,388	1,108,412	1,115,049	1,113,977	1,186,146	1,199,596
Replacement value of water infrastructure assets (\$k)	1,644,268	1,673,911	1,842,091	1,897,450	1,934,365	2,093,405	2,125,999	2,153,338	2,326,066	2,370,562
<b>Asset consumption ratio</b>	<b>54.6%</b>	<b>54.1%</b>	<b>54.1%</b>	<b>54.1%</b>	<b>53.6%</b>	<b>52.9%</b>	<b>52.4%</b>	<b>51.7%</b>	<b>51.0%</b>	<b>50.6%</b>

## Financial sustainability assessment - financing sufficiency

### **Confirmation that sufficient funding and financing can be secured to deliver water services**

MDC confirm that sufficient funding and financing can be achieved through borrowing over the next 10-years, the WSCCO is expected to have improved borrowing capacity compared to an in-house delivery model due to higher water services revenue across the two districts (instead of one) plus higher debt to operating revenue ratio compared to MDC's current limit.

### **Projected WSCCO borrowings for water services against borrowing limits**

The WSCCO may be able to borrow up to 500% net debt to operating revenue subject to meeting LFGA requirements. Beyond the 10-year period substantial borrowing will be needed for MDC's forecast capital expenditure, particularly major wastewater treatment plant upgrades for consent renewals. Timaru will likely equally have major projects in the long-term programme so the WSCCO will need to ensure prudent programming and management of borrowing to ensure peak borrowing periods can be accommodated within debt limits and in an affordable manner.

MDC has no projected borrowings for the stormwater activity over the period.

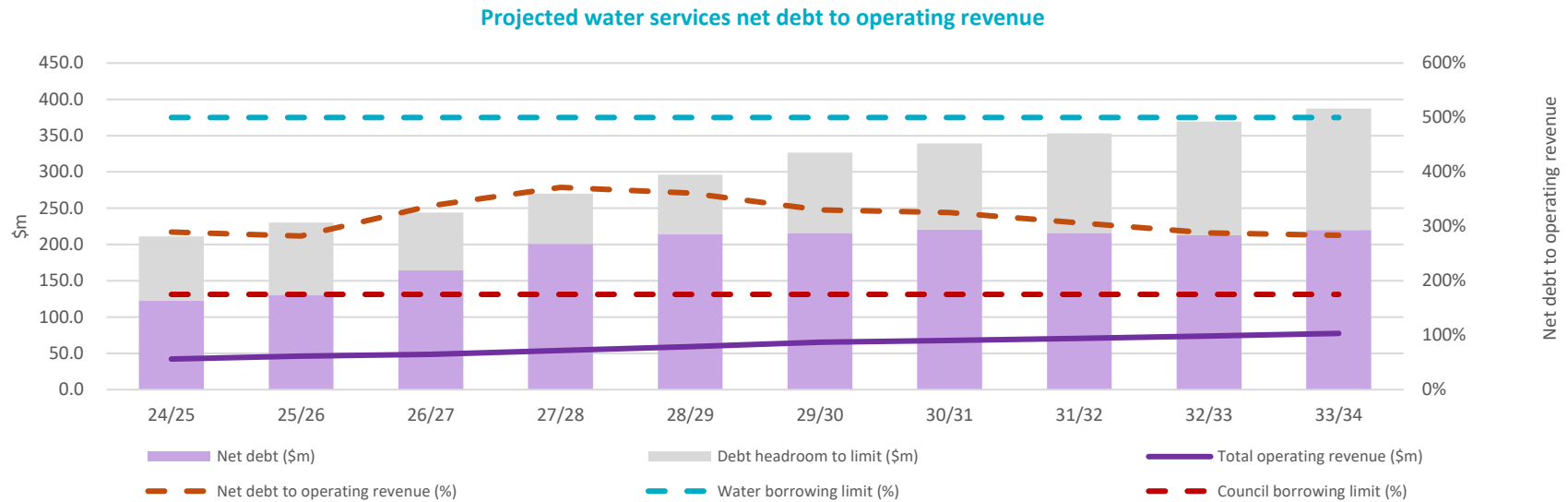


Figure 6: Forecast total WSCCO net debt to operating revenue (10-years)

Net debt to operating revenue	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Net debt attributed to water services (gross debt less cash) (\$k)	122,232	130,005	164,822	200,851	214,025	215,820	220,711	216,142	212,749	219,946
Operating revenue – combined water services (\$k)	42,220	46,053	48,780	54,051	59,242	65,307	67,828	70,581	73,870	77,486
<b>Net debt to operating revenue %</b>	<b>290%</b>	<b>282%</b>	<b>338%</b>	<b>372%</b>	<b>361%</b>	<b>330%</b>	<b>325%</b>	<b>306%</b>	<b>288%</b>	<b>284%</b>

## Borrowing headroom / (shortfall)

The WSCCO is forecast to have borrowing headroom over the next 10-years:

Borrowings headroom/(shortfall) against limit	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Operating revenue (\$k)	42,220	46,053	48,780	54,051	59,242	65,307	67,828	70,581	73,870	77,486

Debt to revenue limit	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt (\$k)	211,100	230,267	243,901	270,253	296,209	326,537	339,140	352,905	369,351	387,430
Total net debt (\$k)	122,232	130,005	164,822	200,851	214,025	215,820	220,711	216,142	212,749	219,946
<b>Borrowing headroom/ (shortfall) against limit (\$k)</b>	<b>88,868</b>	<b>100,262</b>	<b>79,079</b>	<b>69,402</b>	<b>82,184</b>	<b>110,717</b>	<b>118,429</b>	<b>136,763</b>	<b>156,601</b>	<b>167,485</b>

## Free funds from operations

The WSCCO's free funds from operations, the percentage of debt that is generated in free cash flow each year, is positive for the period. Council intends for the WSCCO to target 8-12% as an 'optimal' range, however as noted the increase in revenue needed to provide borrowing leverage results in a higher FFO ratio in some years.

Free funds from operations (FFO) to debt ratio	FY24/25	FY25/26	FY26/27	FY27/28	FY28/29	FY29/30	FY30/31	FY31/32	FY32/33	FY33/34
Projected net debt attributed to water services (\$k)	122,232	130,005	164,822	200,851	214,025	215,820	220,711	216,142	212,749	219,946
Projected free funds from operations – water services (\$k)	16,786	18,113	15,139	17,215	19,187	23,534	25,356	27,439	29,923	32,740
<b>FFO to debt ratio</b>	<b>13.7%</b>	<b>13.9%</b>	<b>9.2%</b>	<b>8.6%</b>	<b>9.0%</b>	<b>10.9%</b>	<b>11.5%</b>	<b>12.7%</b>	<b>14.1%</b>	<b>14.9%</b>

# Part E: Projected financial statements for water services

## Projected funding impact statement

### Projected funding impact statement for combined water services

Projected funding impact statement (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Sources of operating funding</b>										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	31,336	35,375	40,085	45,011	49,854	55,566	57,731	60,111	63,026	66,249
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	4,113	4,203	2,897	2,964	3,028	3,093	3,153	3,215	3,275	3,337
Fees and charges	6,771	6,475	5,798	6,075	6,359	6,649	6,944	7,255	7,569	7,900
<b>Total sources of operating funding (\$K)</b>	<b>42,220</b>	<b>46,053</b>	<b>48,780</b>	<b>54,051</b>	<b>59,242</b>	<b>65,307</b>	<b>67,828</b>	<b>70,581</b>	<b>73,870</b>	<b>77,486</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	11,152	14,462	17,615	18,076	18,539	18,979	19,398	19,804	20,210	20,621
Finance costs	7,296	6,243	7,501	9,196	11,562	12,429	12,497	12,556	12,564	12,724
Internal charges and overheads applied	6,986	7,235	8,525	9,563	9,955	10,365	10,576	10,782	11,173	11,401
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding</b>	<b>25,434</b>	<b>27,940</b>	<b>33,641</b>	<b>36,835</b>	<b>40,055</b>	<b>41,773</b>	<b>42,472</b>	<b>43,142</b>	<b>43,947</b>	<b>44,746</b>
<b>Surplus/(deficit) of operating funding (\$K)</b>	<b>16,786</b>	<b>18,113</b>	<b>15,139</b>	<b>17,215</b>	<b>19,187</b>	<b>23,534</b>	<b>25,356</b>	<b>27,439</b>	<b>29,923</b>	<b>32,740</b>
<b>Source of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	900	910	929	951	974	995	1,016	1,037	1,058	1,079
Increase/(decrease) in debt	5,509	12,363	30,914	48,130	17,830	11,658	9,296	6,422	11,027	17,883
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (\$K)</b>	<b>6,409</b>	<b>13,273</b>	<b>31,843</b>	<b>49,081</b>	<b>18,804</b>	<b>12,653</b>	<b>10,312</b>	<b>7,459</b>	<b>12,085</b>	<b>18,962</b>
<b>Applications of capital funding</b>										
Capital expenditure - to meet additional demand	5,039	1,694	10,823	7,673	3,629	6,026	6,171	5,186	5,020	8,711
Capital expenditure - to improve levels of services	1,789	562	18,772	30,044	8,010	246	228	1,408	6,888	14,402
Capital expenditure - to replace existing assets	16,277	24,876	21,575	14,178	21,795	20,152	24,968	17,418	15,787	18,010
Increase/(decrease) in reserves	90	4,254	(4,189)	12,002	4,556	9,763	4,300	10,887	14,313	10,579
Increase/(decrease) in investments	0	0	0	2,400	0	0	0	0	0	0
<b>Total applications of capital funding (\$K)</b>	<b>23,195</b>	<b>31,386</b>	<b>46,981</b>	<b>66,297</b>	<b>37,990</b>	<b>36,187</b>	<b>35,667</b>	<b>34,899</b>	<b>42,009</b>	<b>51,702</b>
<b>Surplus/(deficit) of capital funding (\$K)</b>	<b>(16,786)</b>	<b>(18,113)</b>	<b>(15,138)</b>	<b>(17,216)</b>	<b>(19,186)</b>	<b>(23,534)</b>	<b>(25,356)</b>	<b>(27,439)</b>	<b>(29,924)</b>	<b>(32,740)</b>
<b>Funding balance (\$K)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>(0)</b>

## Projected funding impact statement for drinking water

Projected funding impact statement (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Sources of operating funding</b>										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	17,716	19,557	23,060	26,812	31,126	35,720	36,532	37,585	39,014	40,231
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	1,948	1,991	1,239	1,268	1,295	1,323	1,348	1,375	1,399	1,426
Fees and charges	2,844	3,206	1,880	1,970	2,062	2,156	2,251	2,352	2,454	2,561
<b>Total sources of operating funding (\$K)</b>	<b>22,508</b>	<b>24,754</b>	<b>26,180</b>	<b>30,050</b>	<b>34,483</b>	<b>39,199</b>	<b>40,131</b>	<b>41,312</b>	<b>42,868</b>	<b>44,217</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	6,470	8,524	11,017	11,310	11,605	11,886	12,154	12,416	12,676	12,942
Finance costs	4,371	3,938	4,661	5,714	7,225	7,408	7,349	7,333	7,335	7,222
Internal charges and overheads applied	4,396	4,460	4,936	5,578	5,894	6,140	6,263	6,391	6,615	6,748
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (\$K)</b>	<b>15,237</b>	<b>16,922</b>	<b>20,613</b>	<b>22,602</b>	<b>24,725</b>	<b>25,434</b>	<b>25,766</b>	<b>26,139</b>	<b>26,626</b>	<b>26,912</b>
<b>Surplus/(deficit) of operating funding (\$K)</b>	<b>7,271</b>	<b>7,832</b>	<b>5,567</b>	<b>7,448</b>	<b>9,758</b>	<b>13,765</b>	<b>14,364</b>	<b>15,172</b>	<b>16,241</b>	<b>17,306</b>
<b>Source of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	500	530	541	554	567	580	592	604	616	629
Increase/(decrease) in debt	7,566	8,350	20,217	31,330	4,995	88	(232)	(263)	(2,008)	11,343
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (\$K)</b>	<b>8,066</b>	<b>8,880</b>	<b>20,758</b>	<b>31,884</b>	<b>5,562</b>	<b>668</b>	<b>360</b>	<b>341</b>	<b>(1,392)</b>	<b>11,972</b>
<b>Applications of capital funding</b>										
Capital expenditure - to meet additional demand	1,887	418	1,361	1,204	1,231	1,255	1,278	1,299	1,321	1,341
Capital expenditure - to improve levels of services	1,789	542	16,143	25,462	2,243	112	228	1,408	119	14,489
Capital expenditure - to replace existing assets	7,075	15,949	12,492	8,509	16,080	10,950	13,892	6,795	6,844	7,882
Increase/(decrease) in reserves	4,586	(197)	(3,672)	2,913	(4,234)	2,116	(674)	6,012	6,566	5,566
Increase/(decrease) in investments	0	0	0	1,244	0	0	0	0	0	0
<b>Total applications of capital funding (\$K)</b>	<b>15,337</b>	<b>16,712</b>	<b>26,324</b>	<b>39,332</b>	<b>15,320</b>	<b>14,433</b>	<b>14,724</b>	<b>15,514</b>	<b>14,849</b>	<b>29,278</b>
<b>Surplus/(deficit) of capital funding (\$K)</b>	<b>(7,271)</b>	<b>(7,832)</b>	<b>(5,566)</b>	<b>(7,448)</b>	<b>(9,758)</b>	<b>(13,765)</b>	<b>(14,364)</b>	<b>(15,173)</b>	<b>(16,242)</b>	<b>(17,306)</b>
<b>Funding balance (\$K)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Projected funding impact statement for wastewater

Projected funding impact statement (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Sources of operating funding</b>										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	8,256	10,369	10,591	10,805	11,210	11,881	13,102	14,372	15,424	16,763
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	868	887	908	929	949	969	988	1,008	1,027	1,047
Fees and charges	3,927	3,269	3,918	4,105	4,297	4,493	4,693	4,903	5,115	5,339
<b>Total sources of operating funding (\$K)</b>	<b>13,051</b>	<b>14,525</b>	<b>15,417</b>	<b>15,839</b>	<b>16,456</b>	<b>17,343</b>	<b>18,783</b>	<b>20,283</b>	<b>21,566</b>	<b>23,149</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	2,933	4,254	4,876	5,005	5,134	5,256	5,370	5,478	5,587	5,697
Finance costs	2,697	2,125	2,542	3,084	3,860	4,468	4,458	4,461	4,396	4,184
Internal charges and overheads applied	2,224	2,465	3,152	3,526	3,590	3,737	3,801	3,866	4,013	4,081
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (\$K)</b>	<b>7,854</b>	<b>8,844</b>	<b>10,570</b>	<b>11,615</b>	<b>12,584</b>	<b>13,461</b>	<b>13,628</b>	<b>13,806</b>	<b>13,997</b>	<b>13,962</b>
<b>Surplus/(deficit) of operating funding (\$K)</b>	<b>5,197</b>	<b>5,681</b>	<b>4,846</b>	<b>4,224</b>	<b>3,872</b>	<b>3,882</b>	<b>5,154</b>	<b>6,477</b>	<b>7,569</b>	<b>9,187</b>
<b>Source of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	300	269	275	281	288	294	300	307	313	319
Increase/(decrease) in debt	(2,797)	3,466	8,623	15,252	11,303	8,813	8,146	5,269	3,362	6,395
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (\$K)</b>	<b>(2,497)</b>	<b>3,735</b>	<b>8,898</b>	<b>15,533</b>	<b>11,591</b>	<b>9,107</b>	<b>8,446</b>	<b>5,576</b>	<b>3,675</b>	<b>6,714</b>
<b>Applications of capital funding</b>										
Capital expenditure - to meet additional demand	1,655	1,072	8,503	5,487	1,395	3,747	3,847	2,817	1,505	6,259
Capital expenditure - to improve levels of services	0	20	2,298	4,517	5,493	78	0	0	0	(87)
Capital expenditure - to replace existing assets	5,192	6,246	5,673	2,938	3,217	4,004	4,777	6,989	4,275	7,328
Increase/(decrease) in reserves	(4,147)	2,078	(2,730)	5,660	5,358	5,159	4,976	2,247	5,464	2,400
Increase/(decrease) in investments	0	0	0	1,156	0	0	0	0	0	0
<b>Total applications of capital funding (\$K)</b>	<b>2,700</b>	<b>9,416</b>	<b>13,744</b>	<b>19,758</b>	<b>15,463</b>	<b>12,988</b>	<b>13,601</b>	<b>12,053</b>	<b>11,244</b>	<b>15,901</b>
<b>Surplus/(deficit) of capital funding (\$K)</b>	<b>(5,197)</b>	<b>(5,681)</b>	<b>(4,846)</b>	<b>(4,224)</b>	<b>(3,872)</b>	<b>(3,882)</b>	<b>(5,154)</b>	<b>(6,477)</b>	<b>(7,569)</b>	<b>(9,187)</b>
<b>Funding balance (\$K)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Projected funding impact statement for stormwater

Projected funding impact statement (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Sources of operating funding</b>										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	5,364	5,449	6,434	7,394	7,519	7,965	8,098	8,154	8,588	9,255
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	1,297	1,325	750	767	784	801	817	833	849	865
Fees and charges	0	0	0	0	0	0	0	0	0	0
<b>Total sources of operating funding (\$K)</b>	<b>6,661</b>	<b>6,774</b>	<b>7,184</b>	<b>8,161</b>	<b>8,303</b>	<b>8,766</b>	<b>8,915</b>	<b>8,987</b>	<b>9,437</b>	<b>10,120</b>
<b>Applications of operating funding</b>										
Payments to staff and suppliers	1,749	1,684	1,722	1,761	1,800	1,837	1,874	1,910	1,946	1,983
Finance costs	228	180	298	398	476	553	691	762	833	1,319
Internal charges and overheads applied	366	310	438	459	471	488	512	525	545	571
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
<b>Total applications of operating funding (\$K)</b>	<b>2,343</b>	<b>2,174</b>	<b>2,458</b>	<b>2,618</b>	<b>2,747</b>	<b>2,878</b>	<b>3,077</b>	<b>3,197</b>	<b>3,324</b>	<b>3,873</b>
<b>Surplus/(deficit) of operating funding (\$K)</b>	<b>4,318</b>	<b>4,600</b>	<b>4,726</b>	<b>5,543</b>	<b>5,556</b>	<b>5,887</b>	<b>5,837</b>	<b>5,790</b>	<b>6,113</b>	<b>6,247</b>
<b>Source of capital funding</b>										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	100	111	113	116	119	121	124	126	129	131
Increase/(decrease) in debt	740	547	2,074	1,547	1,532	2,757	1,381	1,416	9,674	146
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
<b>Total sources of capital funding (\$K)</b>	<b>840</b>	<b>658</b>	<b>2,187</b>	<b>1,663</b>	<b>1,651</b>	<b>2,878</b>	<b>1,505</b>	<b>1,542</b>	<b>9,803</b>	<b>277</b>
<b>Applications of capital funding</b>										
Capital expenditure - to meet additional demand	1,497	204	959	981	1,003	1,024	1,046	1,070	2,195	1,111
Capital expenditure - to improve levels of services	0	0	331	65	274	56	0	0	6,769	0
Capital expenditure - to replace existing assets	4,010	2,681	3,410	2,731	2,498	5,198	6,299	3,634	4,669	2,800
Increase/(decrease) in reserves	(349)	2,373	2,213	3,429	3,432	2,488	(2)	2,628	2,283	2,613
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
<b>Total applications of capital funding (\$K)</b>	<b>5,158</b>	<b>5,258</b>	<b>6,913</b>	<b>7,206</b>	<b>7,207</b>	<b>8,766</b>	<b>7,343</b>	<b>7,332</b>	<b>15,916</b>	<b>6,524</b>
<b>Surplus/(deficit) of capital funding (\$K)</b>	<b>(4,318)</b>	<b>(4,600)</b>	<b>(4,726)</b>	<b>(5,543)</b>	<b>(5,556)</b>	<b>(5,887)</b>	<b>(5,837)</b>	<b>(5,790)</b>	<b>(6,113)</b>	<b>(6,247)</b>
<b>Funding balance (\$K)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Projected statement of comprehensive revenue and expense

### Projected statement of comprehensive revenue and expense for combined water services

Statement of comprehensive revenue and expense (\$k)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Revenue</b>										
Operating revenue	42,220	46,053	48,780	54,051	59,242	65,307	67,828	70,581	73,870	77,486
Other revenue	1,258	1,246	1,214	1,049	1,073	1,095	1,120	1,142	1,165	1,188
<b>Total revenue (\$K)</b>	<b>43,478</b>	<b>47,299</b>	<b>49,994</b>	<b>55,100</b>	<b>60,315</b>	<b>66,402</b>	<b>68,948</b>	<b>71,723</b>	<b>75,035</b>	<b>78,674</b>
<b>Expenses</b>										
Operating expenses	11,152	14,462	17,615	18,076	18,539	18,979	19,398	19,804	20,210	20,621
Finance costs	7,296	6,243	7,501	9,196	11,562	12,429	12,497	12,556	12,564	12,724
Overheads and support costs	6,986	7,235	8,525	9,563	9,955	10,365	10,576	10,782	11,173	11,401
Depreciation & amortisation	21,857	20,715	23,817	24,874	25,409	26,444	27,786	28,142	29,174	30,746
<b>Total expenses (\$K)</b>	<b>47,291</b>	<b>48,655</b>	<b>57,458</b>	<b>61,709</b>	<b>65,465</b>	<b>68,217</b>	<b>70,258</b>	<b>71,284</b>	<b>73,120</b>	<b>75,493</b>
<b>Net surplus/(deficit) (\$K)</b>	<b>(3,813)</b>	<b>(1,356)</b>	<b>(7,464)</b>	<b>(6,609)</b>	<b>(5,150)</b>	<b>(1,815)</b>	<b>(1,310)</b>	<b>439</b>	<b>1,915</b>	<b>3,182</b>
Revaluation of infrastructure assets	0	2,237	63,270	2,720	2,884	71,045	3,057	3,059	73,647	3,075
<b>Total comprehensive income (\$K)</b>	<b>(3,813)</b>	<b>881</b>	<b>55,806</b>	<b>(3,889)</b>	<b>(2,266)</b>	<b>69,230</b>	<b>1,747</b>	<b>3,498</b>	<b>75,562</b>	<b>6,257</b>
<b>Cash surplus/(deficit) from operations (ex non-cash items)</b>	<b>18,044</b>	<b>19,359</b>	<b>16,353</b>	<b>18,264</b>	<b>20,260</b>	<b>24,629</b>	<b>26,476</b>	<b>28,581</b>	<b>31,088</b>	<b>33,928</b>

### Projected statement of comprehensive revenue and expense for drinking water

Statement of comprehensive revenue and expense (\$k)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Revenue</b>										
Operating revenue	22,508	24,754	26,180	30,050	34,483	39,199	40,131	41,312	42,868	44,217
Other revenue	548	579	592	606	620	633	647	660	673	687
<b>Total revenue (\$K)</b>	<b>23,056</b>	<b>25,333</b>	<b>26,772</b>	<b>30,656</b>	<b>35,103</b>	<b>39,832</b>	<b>40,778</b>	<b>41,972</b>	<b>43,541</b>	<b>44,904</b>
<b>Expenses</b>										
Operating expenses	6,470	8,524	11,017	11,310	11,605	11,886	12,154	12,416	12,676	12,942
Finance costs	4,371	3,938	4,661	5,714	7,225	7,408	7,349	7,333	7,335	7,222
Overheads and support costs	4,396	4,460	4,936	5,578	5,894	6,140	6,263	6,391	6,615	6,748
Depreciation & amortisation	10,015	10,108	10,913	11,182	11,433	12,220	12,264	12,317	13,026	13,068
<b>Total expenses (\$K)</b>	<b>25,252</b>	<b>27,030</b>	<b>31,526</b>	<b>33,784</b>	<b>36,158</b>	<b>37,654</b>	<b>38,030</b>	<b>38,456</b>	<b>39,652</b>	<b>39,980</b>
<b>Net surplus/(deficit) (\$K)</b>	<b>(2,196)</b>	<b>(1,697)</b>	<b>(4,754)</b>	<b>(3,128)</b>	<b>(1,055)</b>	<b>2,178</b>	<b>2,748</b>	<b>3,516</b>	<b>3,888</b>	<b>4,925</b>
Revaluation of infrastructure assets	0	1,208	26,169	1,366	1,366	31,713	1,341	1,304	33,134	1,290
<b>Total comprehensive income (\$K)</b>	<b>(2,196)</b>	<b>(489)</b>	<b>21,415</b>	<b>(1,762)</b>	<b>311</b>	<b>33,892</b>	<b>4,089</b>	<b>4,820</b>	<b>37,022</b>	<b>6,215</b>
<b>Cash surplus/(deficit) from operations (ex non-cash items)</b>	<b>7,819</b>	<b>8,411</b>	<b>6,159</b>	<b>8,054</b>	<b>10,378</b>	<b>14,398</b>	<b>15,011</b>	<b>15,832</b>	<b>16,914</b>	<b>17,993</b>

## Projected statement of comprehensive revenue and expense for wastewater

Statement of comprehensive revenue and expense (\$k)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Revenue</b>										
Operating revenue	13,051	14,525	15,417	15,839	16,456	17,343	18,783	20,283	21,566	23,149
Other revenue	583	532	499	327	334	341	349	356	363	370
<b>Total revenue (\$K)</b>	<b>13,634</b>	<b>15,057</b>	<b>15,916</b>	<b>16,166</b>	<b>16,790</b>	<b>17,684</b>	<b>19,132</b>	<b>20,639</b>	<b>21,929</b>	<b>23,519</b>
<b>Expenses</b>										
Operating expenses	2,933	4,254	4,876	5,005	5,134	5,256	5,370	5,478	5,587	5,697
Finance costs	2,697	2,125	2,542	3,084	3,860	4,468	4,458	4,461	4,396	4,184
Overheads and support costs	2,224	2,465	3,152	3,526	3,590	3,737	3,801	3,866	4,013	4,081
Depreciation & amortisation	7,344	6,548	8,021	8,542	8,730	8,885	9,671	9,823	10,024	10,859
<b>Total expenses (\$K)</b>	<b>15,198</b>	<b>15,392</b>	<b>18,591</b>	<b>20,157</b>	<b>21,313</b>	<b>22,346</b>	<b>23,300</b>	<b>23,629</b>	<b>24,020</b>	<b>24,821</b>
<b>Net surplus/(deficit) (\$K)</b>	<b>(1,564)</b>	<b>(335)</b>	<b>(2,676)</b>	<b>(3,990)</b>	<b>(4,523)</b>	<b>(4,663)</b>	<b>(4,168)</b>	<b>(2,991)</b>	<b>(2,092)</b>	<b>(1,302)</b>
Revaluation of infrastructure assets	0	751	23,447	1,033	1,200	24,963	1,364	1,386	25,555	1,396
<b>Total comprehensive income (\$K)</b>	<b>(1,564)</b>	<b>416</b>	<b>20,771</b>	<b>(2,957)</b>	<b>(3,323)</b>	<b>20,301</b>	<b>(2,804)</b>	<b>(1,605)</b>	<b>23,463</b>	<b>94</b>
<b>Cash surplus/(deficit) from operations (ex non-cash items)</b>	<b>5,780</b>	<b>6,213</b>	<b>5,345</b>	<b>4,551</b>	<b>4,206</b>	<b>4,223</b>	<b>5,503</b>	<b>6,833</b>	<b>7,932</b>	<b>9,557</b>

## Projected statement of comprehensive revenue and expense for stormwater

Statement of comprehensive revenue and expense (\$k)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Revenue</b>										
Operating revenue	6,661	6,774	7,184	8,161	8,303	8,766	8,915	8,987	9,437	10,120
Other revenue	127	135	123	116	119	121	124	126	129	131
<b>Total revenue (\$K)</b>	<b>6,788</b>	<b>6,909</b>	<b>7,307</b>	<b>8,277</b>	<b>8,422</b>	<b>8,887</b>	<b>9,039</b>	<b>9,113</b>	<b>9,566</b>	<b>10,251</b>
<b>Expenses</b>										
Operating expenses	1,749	1,684	1,722	1,761	1,800	1,837	1,874	1,910	1,946	1,983
Finance costs	228	180	298	398	476	553	691	762	833	1,319
Overheads and support costs	366	310	438	459	471	488	512	525	545	571
Depreciation & amortisation	4,498	4,059	4,883	5,150	5,247	5,339	5,851	6,002	6,124	6,819
<b>Total expenses (\$K)</b>	<b>6,841</b>	<b>6,233</b>	<b>7,341</b>	<b>7,768</b>	<b>7,994</b>	<b>8,217</b>	<b>8,929</b>	<b>9,199</b>	<b>9,448</b>	<b>10,691</b>
<b>Net surplus/(deficit) (\$K)</b>	<b>(53)</b>	<b>676</b>	<b>(34)</b>	<b>509</b>	<b>429</b>	<b>669</b>	<b>110</b>	<b>(86)</b>	<b>118</b>	<b>(441)</b>
Revaluation of infrastructure assets	0	278	13,654	321	318	14,368	352	369	14,958	389
<b>Total comprehensive income (\$K)</b>	<b>(53)</b>	<b>954</b>	<b>13,620</b>	<b>830</b>	<b>747</b>	<b>15,037</b>	<b>462</b>	<b>283</b>	<b>15,076</b>	<b>(52)</b>
<b>Cash surplus/(deficit) from operations (ex non-cash items)</b>	<b>4,445</b>	<b>4,735</b>	<b>4,849</b>	<b>5,659</b>	<b>5,675</b>	<b>6,008</b>	<b>5,961</b>	<b>5,916</b>	<b>6,242</b>	<b>6,378</b>

## Projected statement of cashflows

### Projected statement of cashflows for combined water services

Projected statement of cashflows (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Cashflows from operating activities</b>										
Cash surplus/(deficit) from operations	18,044	19,359	16,353	18,264	20,260	24,629	26,476	28,581	31,088	33,928
[Other items]	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from operating activities (\$K)</b>	<b>18,044</b>	<b>19,359</b>	<b>16,353</b>	<b>18,264</b>	<b>20,260</b>	<b>24,629</b>	<b>26,476</b>	<b>28,581</b>	<b>31,088</b>	<b>33,928</b>
<b>Cashflows from investing activities</b>										
[other items]	0	0	0	(2,400)	0	0	0	0	0	0
Capital expenditure	(23,105)	(27,132)	(51,170)	(51,895)	(33,434)	(26,424)	(31,367)	(24,012)	(27,696)	(41,123)
<b>Net cashflows from investing activities (\$K)</b>	<b>(23,105)</b>	<b>(27,132)</b>	<b>(51,170)</b>	<b>(54,295)</b>	<b>(33,434)</b>	<b>(26,424)</b>	<b>(31,367)</b>	<b>(24,012)</b>	<b>(27,696)</b>	<b>(41,123)</b>
<b>Cashflows from financing activities</b>										
New borrowings	9,408	6,785	31,101	36,127	13,273	1,896	4,993	(4,466)	(3,288)	7,302
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from financing activities (\$K)</b>	<b>9,408</b>	<b>6,785</b>	<b>31,101</b>	<b>36,127</b>	<b>13,273</b>	<b>1,896</b>	<b>4,993</b>	<b>(4,466)</b>	<b>(3,288)</b>	<b>7,302</b>
<b>Net increase/(decrease) in cash and cash equivalents (\$K)</b>	<b>4,347</b>	<b>(988)</b>	<b>(3,717)</b>	<b>97</b>	<b>98</b>	<b>101</b>	<b>101</b>	<b>104</b>	<b>105</b>	<b>107</b>
Cash and cash equivalents at beginning of year	3,898	8,245	7,257	3,541	3,638	3,736	3,837	3,939	4,042	4,147
<b>Cash and cash equivalents at end of year (\$K)</b>	<b>8,245</b>	<b>7,257</b>	<b>3,541</b>	<b>3,638</b>	<b>3,736</b>	<b>3,837</b>	<b>3,939</b>	<b>4,042</b>	<b>4,147</b>	<b>4,254</b>

### Projected statement of cashflows for drinking water

Projected statement of cashflows (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Cashflows from operating activities</b>										
Cash surplus/(deficit) from operations	7,819	8,411	6,159	8,054	10,378	14,398	15,011	15,832	16,914	17,993
[Other items]	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from operating activities (\$K)</b>	<b>7,819</b>	<b>8,411</b>	<b>6,159</b>	<b>8,054</b>	<b>10,378</b>	<b>14,398</b>	<b>15,011</b>	<b>15,832</b>	<b>16,914</b>	<b>17,993</b>
<b>Cashflows from investing activities</b>										
[other items]	0	0	0	(1,244)	0	0	0	0	0	0
Capital expenditure	(10,751)	(16,909)	(29,996)	(35,175)	(19,554)	(12,317)	(15,398)	(9,502)	(8,283)	(23,712)
<b>Net cashflows from investing activities (\$K)</b>	<b>(10,751)</b>	<b>(16,909)</b>	<b>(29,996)</b>	<b>(36,419)</b>	<b>(19,554)</b>	<b>(12,317)</b>	<b>(15,398)</b>	<b>(9,502)</b>	<b>(8,283)</b>	<b>(23,712)</b>
<b>Cashflows from financing activities</b>										
New borrowings	7,704	8,548	23,888	28,418	9,227	(2,028)	442	(6,275)	(8,576)	5,776
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from financing activities (\$K)</b>	<b>7,704</b>	<b>8,548</b>	<b>23,888</b>	<b>28,418</b>	<b>9,227</b>	<b>(2,028)</b>	<b>442</b>	<b>(6,275)</b>	<b>(8,576)</b>	<b>5,776</b>
<b>Net increase/(decrease) in cash and cash equivalents (\$K)</b>	<b>4,772</b>	<b>50</b>	<b>50</b>	<b>53</b>	<b>51</b>	<b>53</b>	<b>55</b>	<b>56</b>	<b>55</b>	<b>57</b>
Cash and cash equivalents at beginning of year	137	4,909	4,959	5,009	5,062	5,113	5,167	5,222	5,278	5,332
<b>Cash and cash equivalents at end of year (\$K)</b>	<b>4,909</b>	<b>4,959</b>	<b>5,009</b>	<b>5,062</b>	<b>5,113</b>	<b>5,167</b>	<b>5,222</b>	<b>5,278</b>	<b>5,332</b>	<b>5,389</b>

## Projected statement of cashflows for wastewater

Projected statement of cashflows (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Cashflows from operating activities</b>										
Cash surplus/(deficit) from operations	5,780	6,213	5,345	4,551	4,206	4,223	5,503	6,833	7,932	9,557
[Other items]	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from operating activities (\$K)</b>	<b>5,780</b>	<b>6,213</b>	<b>5,345</b>	<b>4,551</b>	<b>4,206</b>	<b>4,223</b>	<b>5,503</b>	<b>6,833</b>	<b>7,932</b>	<b>9,557</b>
<b>Cashflows from investing activities</b>										
[other items]	0	0	0	(1,156)	0	0	0	0	0	0
Capital expenditure	(6,847)	(7,338)	(16,474)	(12,942)	(10,105)	(7,829)	(8,625)	(9,806)	(5,780)	(13,501)
<b>Net cashflows from investing activities (\$K)</b>	<b>(6,847)</b>	<b>(7,338)</b>	<b>(16,474)</b>	<b>(14,098)</b>	<b>(10,105)</b>	<b>(7,829)</b>	<b>(8,625)</b>	<b>(9,806)</b>	<b>(5,780)</b>	<b>(13,501)</b>
<b>Cashflows from financing activities</b>										
New borrowings	698	374	7,563	9,590	5,946	3,654	3,168	3,021	(2,102)	3,994
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from financing activities (\$K)</b>	<b>698</b>	<b>374</b>	<b>7,563</b>	<b>9,590</b>	<b>5,946</b>	<b>3,654</b>	<b>3,168</b>	<b>3,021</b>	<b>(2,102)</b>	<b>3,994</b>
<b>Net increase/(decrease) in cash and cash equivalents (\$K)</b>	<b>(369)</b>	<b>(751)</b>	<b>(3,566)</b>	<b>44</b>	<b>47</b>	<b>47</b>	<b>47</b>	<b>48</b>	<b>50</b>	<b>50</b>
Cash and cash equivalents at beginning of year	3,496	3,127	2,376	(1,190)	(1,146)	(1,099)	(1,052)	(1,005)	(957)	(907)
<b>Cash and cash equivalents at end of year (\$K)</b>	<b>3,127</b>	<b>2,376</b>	<b>(1,190)</b>	<b>(1,146)</b>	<b>(1,099)</b>	<b>(1,052)</b>	<b>(1,005)</b>	<b>(957)</b>	<b>(907)</b>	<b>(857)</b>

## Projected statement of cashflows for stormwater

Projected statement of cashflows (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Cashflows from operating activities</b>										
Cash surplus/(deficit) from operations	4,445	4,735	4,849	5,659	5,675	6,008	5,961	5,916	6,242	6,378
[Other items]	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from operating activities (\$K)</b>	<b>4,445</b>	<b>4,735</b>	<b>4,849</b>	<b>5,659</b>	<b>5,675</b>	<b>6,008</b>	<b>5,961</b>	<b>5,916</b>	<b>6,242</b>	<b>6,378</b>
<b>Cashflows from investing activities</b>										
[other items]	0	0	0	0	0	0	0	0	0	0
Capital expenditure	(5,507)	(2,885)	(4,700)	(3,777)	(3,775)	(6,278)	(7,345)	(4,704)	(13,633)	(3,911)
<b>Net cashflows from investing activities (\$K)</b>	<b>(200)</b>	<b>(436)</b>	<b>(502)</b>	<b>(268)</b>	<b>(492)</b>	<b>(1,452)</b>	<b>(1,426)</b>	<b>(233)</b>	<b>(1,341)</b>	<b>(242)</b>
<b>Cashflows from financing activities</b>										
New borrowings	1,006	(2,137)	(350)	(1,882)	(1,900)	270	1,382	(1,212)	7,391	(2,467)
Repayment of borrowings	0	0	0	0	0	0	0	0	0	0
<b>Net cashflows from financing activities (\$K)</b>	<b>1,006</b>	<b>(2,137)</b>	<b>(350)</b>	<b>(1,882)</b>	<b>(1,900)</b>	<b>270</b>	<b>1,382</b>	<b>(1,212)</b>	<b>7,391</b>	<b>(2,467)</b>
<b>Net increase/(decrease) in cash and cash equivalents (\$K)</b>	<b>(56)</b>	<b>(287)</b>	<b>(201)</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash and cash equivalents at beginning of year	266	210	(77)	(278)	(278)	(278)	(277)	(278)	(278)	(278)
<b>Cash and cash equivalents at end of year (\$K)</b>	<b>210</b>	<b>(77)</b>	<b>(278)</b>	<b>(278)</b>	<b>(278)</b>	<b>(277)</b>	<b>(278)</b>	<b>(278)</b>	<b>(278)</b>	<b>(278)</b>

## Projected statement of financial position

### Projected statement of financial position for combined water services

Projected statement of financial position (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Assets</b>										
Cash and cash equivalents	8,245	7,257	3,541	3,638	3,736	3,837	3,939	4,042	4,147	4,254
Other current assets										
Infrastructure assets	897,461	906,115	996,738	1,026,479	1,037,388	1,108,412	1,115,049	1,113,977	1,186,146	1,199,596
Other non-current assets										
<b>Total assets (\$K)</b>	<b>905,707</b>	<b>913,373</b>	<b>1,000,279</b>	<b>1,030,116</b>	<b>1,041,124</b>	<b>1,112,250</b>	<b>1,118,988</b>	<b>1,118,020</b>	<b>1,190,293</b>	<b>1,203,850</b>
<b>Liabilities</b>										
Borrowings – current portion	15,351	16,761	25,106	36,756	43,590	48,449	53,350	55,419	54,772	56,388
Other current liabilities										
Borrowings – non-current portion	115,126	120,501	143,257	167,733	174,171	171,208	171,300	164,765	162,124	167,812
Other non-current liabilities										
<b>Total liabilities (\$K)</b>	<b>130,477</b>	<b>137,262</b>	<b>168,363</b>	<b>204,489</b>	<b>217,761</b>	<b>219,657</b>	<b>224,650</b>	<b>220,184</b>	<b>216,896</b>	<b>224,200</b>
<b>Net assets (\$K)</b>	<b>775,230</b>	<b>776,111</b>	<b>831,916</b>	<b>825,628</b>	<b>823,362</b>	<b>892,592</b>	<b>894,338</b>	<b>897,835</b>	<b>973,397</b>	<b>979,650</b>
<b>Equity</b>										
Revaluation reserves	0	4,196	22,253	27,370	32,820	52,396	58,160	63,909	84,440	90,199
Other reserves	775,230	771,915	809,663	798,258	790,542	840,196	836,178	833,926	888,957	889,451
<b>Total equity (\$K)</b>	<b>775,230</b>	<b>776,111</b>	<b>831,916</b>	<b>825,628</b>	<b>823,362</b>	<b>892,592</b>	<b>894,338</b>	<b>897,835</b>	<b>973,397</b>	<b>979,650</b>

## Projected statement of financial position for drinking water

Projected statement of financial position (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Assets</b>										
Cash and cash equivalents	4,909	4,959	5,009	5,062	5,113	5,167	5,222	5,278	5,332	5,389
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	375,440	383,448	428,699	454,059	463,546	495,356	499,831	498,320	526,710	538,644
Other non-current assets	0	0	0	1,244	1,244	1,244	1,244	1,244	1,244	1,244
<b>Total assets (\$K)</b>	<b>380,349</b>	<b>388,407</b>	<b>433,708</b>	<b>460,365</b>	<b>469,904</b>	<b>501,767</b>	<b>506,297</b>	<b>504,842</b>	<b>533,287</b>	<b>545,277</b>
<b>Liabilities</b>										
Borrowings – current portion	15,351	16,761	20,033	22,365	22,165	21,861	21,260	20,687	17,641	13,675
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	62,695	69,833	90,449	116,535	125,962	124,238	125,281	119,579	114,049	123,790
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities (\$K)</b>	<b>78,046</b>	<b>86,594</b>	<b>110,482</b>	<b>138,900</b>	<b>148,127</b>	<b>146,099</b>	<b>146,541</b>	<b>140,266</b>	<b>131,690</b>	<b>137,465</b>
<b>Net assets (\$K)</b>	<b>302,303</b>	<b>301,813</b>	<b>323,226</b>	<b>321,465</b>	<b>321,776</b>	<b>355,668</b>	<b>359,756</b>	<b>364,576</b>	<b>401,597</b>	<b>407,812</b>
<b>Equity</b>										
Revaluation reserves	0	2,416	5,108	7,840	10,572	13,208	15,892	18,500	21,190	23,770
Other reserves	302,303	299,397	318,118	313,625	311,204	342,460	343,864	346,076	380,407	384,042
<b>Total equity (\$K)</b>	<b>302,303</b>	<b>301,813</b>	<b>323,226</b>	<b>321,465</b>	<b>321,776</b>	<b>355,668</b>	<b>359,756</b>	<b>364,576</b>	<b>401,597</b>	<b>407,812</b>

## Projected statement of financial position for wastewater

Projected statement of financial position (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Assets</b>										
Cash and cash equivalents	3,127	2,376	(1,190)	(1,146)	(1,099)	(1,052)	(1,005)	(957)	(907)	(857)
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	331,992	333,533	365,434	370,866	373,442	397,349	397,667	399,035	420,345	424,382
Other non-current assets	0	0	0	1,156	1,156	1,156	1,156	1,156	1,156	1,156
<b>Total assets (\$K)</b>	<b>335,119</b>	<b>335,909</b>	<b>364,244</b>	<b>370,876</b>	<b>373,498</b>	<b>397,453</b>	<b>397,817</b>	<b>399,234</b>	<b>420,594</b>	<b>424,680</b>
<b>Liabilities</b>										
Borrowings – current portion	0	0	4,914	14,097	20,770	24,600	28,735	31,140	32,189	37,642
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	47,605	47,979	50,628	51,035	50,308	50,132	49,165	49,781	46,630	45,172
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities (\$K)</b>	<b>47,605</b>	<b>47,979</b>	<b>55,542</b>	<b>65,132</b>	<b>71,078</b>	<b>74,732</b>	<b>77,900</b>	<b>80,921</b>	<b>78,819</b>	<b>82,814</b>
<b>Net assets (\$K)</b>	<b>287,514</b>	<b>287,930</b>	<b>308,702</b>	<b>305,744</b>	<b>302,420</b>	<b>322,721</b>	<b>319,917</b>	<b>318,313</b>	<b>341,775</b>	<b>341,867</b>
<b>Equity</b>										
Revaluation reserves	0	1,502	3,212	5,276	7,676	10,248	12,976	15,748	18,630	21,420
Other reserves	287,514	286,428	305,490	300,468	294,744	312,473	306,941	302,565	323,145	320,447
<b>Total equity (\$K)</b>	<b>287,514</b>	<b>287,930</b>	<b>308,702</b>	<b>305,744</b>	<b>302,420</b>	<b>322,721</b>	<b>319,917</b>	<b>318,313</b>	<b>341,775</b>	<b>341,867</b>

## Projected statement of financial position for stormwater

Projected statement of financial position (\$K)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Assets</b>										
Cash and cash equivalents	210	(77)	(278)	(278)	(278)	(277)	(278)	(278)	(278)	(278)
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	190,029	189,134	202,605	201,553	200,400	215,707	217,552	216,622	239,090	236,570
Other non-current assets	0	0	0	0	0	0	0	0	0	0
<b>Total assets (\$K)</b>	<b>190,239</b>	<b>189,057</b>	<b>202,327</b>	<b>201,275</b>	<b>200,122</b>	<b>215,430</b>	<b>217,274</b>	<b>216,344</b>	<b>238,812</b>	<b>236,292</b>
<b>Liabilities</b>										
Borrowings – current portion	0	0	159	294	655	1,988	3,355	3,592	4,942	5,071
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	4,826	2,689	2,180	162	(2,099)	(3,161)	(3,146)	(4,595)	1,446	(1,151)
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities (\$K)</b>	<b>4,826</b>	<b>2,689</b>	<b>2,339</b>	<b>456</b>	<b>(1,444)</b>	<b>(1,173)</b>	<b>209</b>	<b>(1,003)</b>	<b>6,388</b>	<b>3,920</b>
<b>Net assets (\$K)</b>	<b>185,413</b>	<b>186,368</b>	<b>199,988</b>	<b>200,819</b>	<b>201,565</b>	<b>216,603</b>	<b>217,065</b>	<b>217,347</b>	<b>232,425</b>	<b>232,372</b>
<b>Equity</b>										
Revaluation reserves	0	278	13,933	14,254	14,572	28,940	29,292	29,661	44,620	45,009
Other reserves	185,413	186,090	186,054	186,565	186,993	187,662	187,772	187,686	187,805	187,363
<b>Total equity (\$K)</b>	<b>185,413</b>	<b>186,368</b>	<b>199,988</b>	<b>200,819</b>	<b>201,565</b>	<b>216,603</b>	<b>217,065</b>	<b>217,347</b>	<b>232,425</b>	<b>232,372</b>

# Part F: Water Services Delivery Plan additional information

## Significant capital projects for Mackenzie

### Significant capital projects

#### Significant capital projects – drinking water

Significant capital projects – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Projects to meet additional demand</b>										
1124 - Vested Assets	408,528	417,516	427,536	437,369	446,991	456,378	465,962	475,281	484,787	493,998
Albury Transfer – Lifestyle Properties to Downlands Scheme	0	0	183,142	0	0	0	0	0	0	0
<b>Total investment to meet additional demand</b>	<b>408,528</b>	<b>417,516</b>	<b>610,678</b>	<b>437,369</b>	<b>446,991</b>	<b>456,378</b>	<b>465,962</b>	<b>475,281</b>	<b>484,787</b>	<b>493,998</b>
<b>Projects to improve levels of services</b>										
1053 - Allandale/Spur Road water supply - Reticulation extension	0	102,200	1,569,792	2,141,196	0	0	0	0	0	0
2007 - URBW - New smart meters (Takapō / Lake Tekapo, Burkes Pass, Fairlie)	380,000	388,360	397,681	0	0	0	0	0	0	0
2017 - Reticulation - Second supply main to Takapō / Lake Tekapo town from reservoir (resilience project)	0	0	0	0	0	0	0	814,380	0	0
1126 - Backflow for Water Services Act compliance	50,000	51,100	52,326	53,530	54,708	55,856	57,029	58,170	59,333	60,461
2009 - URBW - Land acquisition for Treatment Plant	0	0	0	0	0	0	0	535,164	0	0
1128 - Water Safety Plans Upgrades	0	0	52,326	53,530	0	55,856	57,029	0	59,333	60,461
Allandale/Spur Road Water Metering	0	0	156,979	0	0	0	0	0	0	0
2020 - Treatment - improved treatment process (Twizel, Takapō / Lake Tekapo)	120,000	0	0	0	0	0	0	0	0	0
2024 - Treatment - Standby generator Takapō / Lake Tekapo (resilience project)	0	0	0	0	0	0	114,059	0	0	0
<b>Total investment to meet improve levels of services</b>	<b>550,000</b>	<b>541,660</b>	<b>2,229,105</b>	<b>2,248,256</b>	<b>54,708</b>	<b>111,713</b>	<b>228,118</b>	<b>1,407,714</b>	<b>118,667</b>	<b>120,921</b>
<b>Projects to replace existing assets</b>										
1033 - Reticulation - Water Pipes Renewal Programme	180,000	367,920	376,750	0	196,947	793,161	809,818	418,824	427,200	435,317
W061 - Downlands Reticulation Renewals smoothed	40,000	40,880	41,861	42,824	43,766	44,685	45,624	46,536	47,467	48,369
W065 - In ground reservoir lining and solid roof cover installation - Downlands	0	10,220	83,722	85,648	87,532	0	0	0	0	0
2023 - Treatment - Renewing data SCADA systems outside of treatment plants	0	0	0	0	0	0	114,059	58,170	0	60,461
W064 - Downlands Reservoir Pipework Renewals	8,000	0	41,861	42,824	43,766	0	0	0	0	0
W063 - Downlands Additional water supply delivery	0	0	0	12,847	13,130	13,406	13,687	13,961	14,240	14,511
W062 - Downlands Plant Renewals smoothed	0	20,440	6,279	6,424	6,565	6,703	6,844	23,268	7,120	7,255
1032 - Service Connections	15,000	10,220	5,233	5,353	5,471	5,586	5,703	5,817	5,933	6,046
1033 - Reticulation - Water Pipes Renewal Programme	180,000	367,920	376,750	0	196,947	793,161	809,818	418,824	427,200	435,317
W061 - Downlands Reticulation Renewals smoothed	40,000	40,880	41,861	42,824	43,766	44,685	45,624	46,536	47,467	48,369
<b>Total investment to replace existing assets</b>	<b>243,000</b>	<b>449,680</b>	<b>555,706</b>	<b>195,919</b>	<b>397,177</b>	<b>863,540</b>	<b>995,733</b>	<b>566,576</b>	<b>501,961</b>	<b>571,959</b>
<b>Total investment in drinking water assets</b>	<b>1,201,528</b>	<b>1,408,856</b>	<b>3,395,489</b>	<b>2,881,545</b>	<b>898,876</b>	<b>1,431,631</b>	<b>1,689,813</b>	<b>2,449,571</b>	<b>1,105,414</b>	<b>1,186,878</b>

### Significant capital projects – wastewater

Significant capital projects – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Projects to meet additional demand</b>										
1054 - Takapō / Lake Tekapo Treatment Plant Life Extension – Stage 1 Works to 2040	100,000	210,532	4,029,133	4,121,803	0	0	0	0	0	0
1119 - Vested Assets	500,000	511,000	523,264	535,299	547,076	558,564	570,294	581,700	593,334	604,607
Burkes Pass Pond Upgrade - Land acquisition, power & pond improvements	0	132,860	3,139,584	0	0	0	0	0	0	0
2000 - WW -Network Growth - North West Arch (southern) Pipe Upsizing	0	0	0	0	0	0	0	0	0	3,337,432
2000 - WW -Network Growth - Increase Storage Reservoir	0	0	0	0	0	0	0	1,337,910	0	1,390,597
2000 - WW -Network Growth - North West Arch Pipe Upsizing	0	0	0	0	0	0	2,395,235	0	0	0
2000 - WW -Network Growth - North West Arch (northern) Pipe Upsizing	0	0	0	0	0	2,323,627	0	0	0	0
2029 - Treatment - Septic Tanker Reception	200,000	0	0	0	0	0	0	0	0	0
2028 - Treatment - Real-time Monitoring Data Capture	80,000	105,266	0	0	0	0	0	0	0	0
2026 - Treatment - Fairlie Aerator	0	112,420	0	0	0	0	0	0	0	0
<b>Total investment to meet additional demand</b>	<b>880,000</b>	<b>1,072,078</b>	<b>7,691,981</b>	<b>4,657,102</b>	<b>547,076</b>	<b>2,882,191</b>	<b>2,965,529</b>	<b>1,919,610</b>	<b>593,334</b>	<b>5,332,637</b>
<b>Projects to improve levels of services</b>										
Fairlie Treatment Plant Upgrades	0	0	1,046,528	4,282,393	5,470,757	0	0	0	0	0
Takapō / Lake Tekapo Native Planting	0	20,440	20,931	21,412	21,883	22,343	0	0	0	0
Allendale to Fairlie Industrial area connection	0	0	0	0	0	55,856	0	0	0	0
<b>Total investment to meet improve levels of services</b>	<b>0</b>	<b>20,440</b>	<b>1,067,459</b>	<b>4,303,805</b>	<b>5,492,640</b>	<b>78,199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Projects to replace existing assets</b>										
2002 - WW -Sewer Reticulation	220,000	337,260	460,472	471,063	481,427	558,564	570,294	628,236	640,801	652,976
2058 - WW - Pipe Upgrade - New Pressure Main Lakeside Drive	0	0	0	0	0	0	581,700	0	0	0
Burkes Pass I&I Investigation	0	0	0	53,530	0	0	0	0	0	0
<b>Total investment to replace existing assets</b>	<b>220,000</b>	<b>337,260</b>	<b>460,472</b>	<b>524,593</b>	<b>481,427</b>	<b>558,564</b>	<b>1,151,994</b>	<b>628,236</b>	<b>640,801</b>	<b>652,976</b>
<b>Total investment in wastewater assets</b>	<b>1,100,000</b>	<b>1,429,778</b>	<b>9,219,912</b>	<b>9,485,500</b>	<b>6,521,142</b>	<b>3,518,955</b>	<b>4,117,523</b>	<b>2,547,846</b>	<b>1,234,135</b>	<b>5,985,612</b>

### Significant capital projects – stormwater

Significant capital projects – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
<b>Projects to meet additional demand</b>										
1129 - Vested Assets	200,000	204,400	209,306	214,120	218,830	223,426	228,118	232,680	237,334	241,843
2005 - Lochinvar & Lakeside STW – Filter Media Replacement & Disposal Upgrade	0	0	0	0	0	0	0	0	1,103,601	0
<b>Total investment to meet additional demand</b>	<b>200,000</b>	<b>204,400</b>	<b>209,306</b>	<b>214,120</b>	<b>218,830</b>	<b>223,426</b>	<b>228,118</b>	<b>232,680</b>	<b>1,340,935</b>	<b>241,843</b>
<b>Projects to improve levels of services</b>										
Flood Alleviation Across Multiple Sites	0	0	0	0	218,830	0	0	0	0	0
2016 - Network Modelling (Takapō / Lake Tekapo, Twizel, Fairlie)	0	0	0	53,530	54,708	55,856	0	0	0	0
<b>Total investment to meet improve levels of services</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>53,530</b>	<b>273,538</b>	<b>55,856</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Projects to replace existing assets</b>										
2013 - Pipe Renewals (Takapō / Lake Tekapo)	0	0	0	0	0	1,172,985	1,197,618	0	0	0
2012 - Upsizing - Sloane St, Regent St, Fire station	0	231,994	293,028	0	0	0	0	0	0	0
<b>Total investment to replace existing assets</b>	<b>0</b>	<b>231,994</b>	<b>293,028</b>	<b>0</b>	<b>0</b>	<b>1,172,985</b>	<b>1,197,618</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total investment in stormwater assets</b>	<b>200,000</b>	<b>436,394</b>	<b>502,333</b>	<b>267,650</b>	<b>492,368</b>	<b>1,452,267</b>	<b>1,425,735</b>	<b>232,680</b>	<b>1,340,935</b>	<b>241,843</b>

## Risks and assumptions

### Disclosure of risks and material assumptions for water services delivery

This section identifies key issues, risks and material assumptions for water services delivery that have been included in the Plan. It is not a comprehensive risk assessment of the water services activity; this is included in the relevant Asset / Activity Management Plan.

#### Key Issues / Risks

Drinking water supply	Wastewater	Stormwater
<ul style="list-style-type: none"> <li>• Access to adequate staff resource, including treatment plant operators.</li> <li>• Delay in completion of capital projects to align with forecast growth and to ensure continued compliance.</li> <li>• Compliance with new drinking water regulatory framework, including upgrades required to ensure drinking water safety.</li> <li>• Contamination of source water and resilience of single-source water supply schemes.</li> <li>• Water losses in the network require a higher level of treatment capacity and/or increased opex and capex expenditure to identify leaks and repair / replace pipes.</li> <li>• Insufficient capacity at peak summer period when visitor and residential irrigation demand is highest.</li> <li>• Insufficient backflow prevention for commercial properties (work is in progress).</li> </ul>	<ul style="list-style-type: none"> <li>• Access to adequate staff resource, including treatment plant operators.</li> <li>• Delay in completion of capital projects to align with forecast growth and to ensure continued compliance.</li> <li>• Pipe renewals of ageing or defective pipes will continue across the urban centres based on condition rating and performance of the network.</li> <li>• Future regulation / standards exceed expectations and require more substantial upgrades than forecast in the Plan.</li> <li>• Inflow and infiltration increases requiring a higher level of treatment capacity and/or increased opex and capex expenditure to identify inflows and repair / replace pipes.</li> </ul>	<ul style="list-style-type: none"> <li>• Increased environmental standards arising from Canterbury Land and Water Plan requiring Council to obtain resource consents for discharges from stormwater systems, as opposed to historic permitted activity approach.</li> <li>• Impact of non-Council assets on Council stormwater networks.</li> </ul>

#### Significant Assumptions

Drinking water supply	Wastewater	Stormwater
<ul style="list-style-type: none"> <li>• Growth, including tourism, occurs at the projected rate, and in the locations identified by the Mackenzie District Plan and Spatial Plan.</li> <li>• Introduction of smart meters and move to volumetric charging drives behaviour change and reduces total demand, reducing the need for costly treatment plant upgrades.</li> <li>• Existing water sources continue to provide sufficient quality and quantity of water.</li> <li>• Water sources continue to be consented, and additional water sources (if required) can be consented or existing consents transferred (no new water sources are forecast in this Plan).</li> <li>• There are no significant changes to drinking water standards or compliance monitoring and reporting requirements.</li> <li>• Borrowing costs will align with financial forecasts.</li> </ul>	<ul style="list-style-type: none"> <li>• Work at all wastewater treatment plants will occur in the first 10-years of this Plan to improve treatment processes, account for growth, and ensure continued compliance.</li> <li>• Growth, including tourism, occurs at the projected rate, and in the locations identified by the Mackenzie District Plan and Spatial Plan.</li> <li>• Resource consents required for continued operation of the district's wastewater treatment plants and discharge of treated wastewater can be secured.</li> <li>• Extension may be achieved for some wastewater consent renewals, based on proactive investment in Years 1-10, to smooth the profile of capital expenditure required over the next 30-years.</li> <li>• The current process for discharging treated wastewater to land continues to be acceptable.</li> </ul>	<ul style="list-style-type: none"> <li>• Land will be available for stormwater retention / detention / treatment where centralised facilities are required.</li> <li>• Discharge quality for stormwater to meet future consents can be managed operationally.</li> <li>• Developers provide and implement appropriately designed and effective treatment and disposal systems for new subdivisions.</li> </ul>

## Water Services Delivery Plan Assessment

### Response to risks and issues raised by the Secretary for Local Government

MDC's response to each issue / risk raised by the Secretary for the previous Plan is provided here. The primary mitigation to address these risks has been the decision to establish the joint WSCCO.

Issue/Risk	Summary Description	Response
Planned wastewater upgrades not included in the Plan	Major wastewater treatment plant upgrades (Takapō, Fairlie, Twizel) are planned beyond the 10-year horizon and have been repeatedly deferred, creating financial risk if growth pressures require earlier investment.	<p>MDC acknowledges that major wastewater treatment plant renewals and upgrades for Takapō / Lake Tekapo, Fairlie and Twizel occur beyond the 10-year horizon of the Water Services Delivery Plan.</p> <p>These projects are included within the Plan's 30-year investment pathway and are driven largely by consent expiry dates and anticipated future environmental standards. The Plan introduces a step-change in water services revenue and borrowing capacity to ensure these long-term investments can be funded when required.</p> <p>MDC's establishment of a joint Water Services Council Controlled Organisation with TDC, will provide greater scale and borrowing capacity to deliver these upgrades. The capital programme will continue to be reviewed through Asset Management Plans, the Long-Term Plan and Water Services Strategy processes, and future WSCCO planning to ensure the timing and scope of these projects remain appropriate as growth projections and regulatory requirements evolve.</p>
Funding for growth	If population growth exceeds projections, current funding settings may be insufficient to meet the infrastructure costs associated with additional demand.	<p>The Plan incorporates projected population and visitor growth into the capital investment programme and financial modelling. MDC's 30-year investment pathway has been designed to ensure infrastructure investment supports growth while maintaining regulatory compliance and service levels.</p> <p>Revenue increases, including targeted rates and user charges, are proposed to strengthen borrowing capacity and enable the required capital investment. MDC also intends to explore additional funding sources such as development or financial contributions, trade waste charges, and other growth-related funding mechanisms through the 2027 Long-Term Plan and future WSCCO financial strategy.</p> <p>Growth projections are reviewed and updated as part of each Long-Term Plan process, and MDC is currently recommencing this work for the 2027–37 Long-Term Plan. This will ensure both MDC and the future WSCCO have updated population and development forecasts to inform future infrastructure investment and programme timing.</p>
Deliverability of capital investment programme	The planned \$69m capital programme represents a significant increase in delivery compared to recent years, creating a risk that limited delivery capability could delay projects and affect regulatory compliance.	<p>MDC acknowledges that the planned capital investment programme represents a significant increase in delivery compared with historical levels. The Plan includes several actions to strengthen delivery capability and programme oversight.</p> <p>MDC is increasing dedicated water services staffing, including roles in asset management, capital projects, compliance and finance, to support improved planning and programme delivery. In addition, MDC's establishment of the joint WSCCO is expected to provide greater scale, technical capability and organisational capacity for infrastructure delivery.</p> <p>The capital programme will continue to be reviewed annually and further refined through updated Asset Management Plans, the Long-Term Plan and Water Services Strategy. These processes will improve confidence in project scope, cost estimates and delivery sequencing while ensuring the programme remains aligned with regulatory requirements and growth pressures.</p>
Insurance arrangements	Limited insurance coverage for underground assets may expose Council to financial risk following major infrastructure damage.	MDC is actively reviewing its insurance arrangements and as part of the establishment of the joint WSCCO additional insurance arrangements will be implemented for Mackenzie's assets.