LOCAL WATER DONE WELL

TŌ TĀTAU WAI, TŌ TĀTAU MANA
OUR WATER, OUR WAY

Mahere Whakataki Ratonga Wai
Water Services Delivery Plan

Te Kaunihera o Te Tairāwhiti
GISBORNE DISTRICT COUNCIL

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KAUWHITI A: Tauāki tōnuitanga pūtea, tauira tuku ratonga, mahere whakatinana me te whakamana

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

This Water Services Delivery Plan (WSDP) sets out how Gisborne District Council will deliver safe, sustainable, and locally governed three waters services - drinking water, wastewater, and stormwater. These responsibilities will be managed through a dedicated internal business unit, supported by ring-fenced funding, strengthened oversight and targeted assurance processes.

While adoption of the WSDP enables Council to meet its current obligations under the Local Government (Water Services Preliminary Arrangements) Act 2024, the broader reform landscape is subject to change. The Government has indicated it may require councils to join regional water service entities within a specified timeframe, particularly if standalone models are not assessed as financially sustainable.

Council is actively monitoring this risk and has signalled its intent to review implementation settings and delivery progress within the first few years. The selected model has been designed to preserve flexibility should policy direction shift. This includes the ability to join a regional entity or enter joint service arrangements with other councils where shared benefits can be achieved. Council is particularly considering potential collaboration with councils in Taupō, Wairoa, Hawke's Bay and the Bay of Plenty, where non-contiguous alignments and shared service models could offer operational or financial advantages.

Following a detailed assessment of delivery options and public consultation in April 2025, Council confirmed the modified in-house model as the preferred approach. Ninety percent of submissions supported this direction, citing trust in Council leadership, a preference for local decision-making, and concern about the cost and complexity of regional structures.

Tō Tātau Wai, Tō Tātau Mana – Our Water, Our Way reflects Council's commitment to mana whakahaere, community voice and kaitiakitanga. The selected model enables local responsiveness, integration with land use and infrastructure planning, stronger resilience, and deeper partnership with mana whenua under Te Tiriti o Waitangi.

The in-house model also supports long-term viability and enables Council to:

- Target investment to areas of local growth and risk.
- Retain public trust and financial transparency.
- Build resilience using existing systems and capabilities.
- Adapt to future direction, including possible regional or multi-council service models.

This Plan has been developed in response to the Government's Local Water Done Well policy, which requires councils to confirm how water services will be managed and funded from 2027.

It is based on Council's current investment programme and baseline assumptions and will be superseded in time by the Water Services Strategy and the 2027–2037 Long Term Plan.

Gisborne's urban (reticulated) population is forecast to grow from 36,232 in 2025 to 40,483 by 2053 - approximately 2,000 more than projected in the 2021–2031 Long Term Plan. This growth, concentrated within the serviced area, will require a step change in infrastructure capacity, renewal of ageing assets, and compliance with increasingly stringent environmental and drinking water standards.

Although the network is generally in sound condition, renewal backlogs - particularly in water and wastewater - must be addressed. Cyclone Gabrielle exposed critical vulnerabilities across the district, with several areas requiring urgent investment to restore previous service levels. Water storage capacity also remains a key risk during emergency events.

- The 2024–2027 Three-Year Plan, focused on recovery and resilience.
- The 2021–2031 Long Term Plan, which defines baseline service expectations.
- The Local Water Done Well business case and financial modelling, which informed the preferred delivery approach.

Future updates will fully replace this Plan with the Water Services Strategy, ensuring it is no longer in effect, and will reflect any changes introduced through the 2027–2037 Long Term Plan or national policy shifts.

This Plan sets out a clear, financially sustainable approach to water management in Tairāwhiti. It is structured as follows:

PART A:

An overview, including the selected delivery model, implementation plan, consultation, engagement, assurance and adoption processes.

PART B:

A performance assessment of the current network and service levels.

PART C:

Revenue, charging and funding arrangements to support financially sustainable service delivery.

PART D:

An assessment of financial sustainability, including revenue, investment and financing sufficiency.

PART APPENDICES

Financial statements, significant capital projects, and key assumptions and risks.

A.1 Statement that water services delivery is financially sustainable

A1.1 Financially sustainable water services provision

This Plan confirms Gisborne District Council's water, wastewater and stormwater responsibilities will be managed sustainably through a ring-fenced internal business unit, achieving financial sustainability by 30 June 2028.

Water services will remain within Council's operations, with dedicated funding arrangements to ensure financial transparency and accountability.

The following sections outline how an in-house unit, 'Our Water, Our Way,' will ensure sufficient revenue, investment and financing to:

Respond to growth and renewal needs.

Manage water quality in line with legislative standards.

Deliver resilient services for the community.

Financial modelling in the Plan is based on:

- Planned investment over at least 10 consecutive years.
- Maintaining current Level of Service (LoS) commitments as set out in baseline planning documents and agreed with communities.
- Expectation that our in-house services will transition customers charged based on capital value to a combination of volumetric and/or fixed charges within a five-year period commencing 1 July 2027.
- A review of all pricing, including a price harmonisation pathway, will begin from the same date. Changes will be introduced through a phased approach.

The Plan satisfies financial sustainability across all financial factors. These are:

Revenue sufficiency

By 30 June 2028, and in every subsequent year covered by this Plan, projected revenue is sufficient to fully meet all costs.

Revenue is expected to increase from $22.6 million to $40.4 million (excluding development contributions), with annual net surpluses rising to $3 million. These surpluses contribute to funding of depreciation and the capital works programme.

While the Plan meets overall revenue sufficiency thresholds, it acknowledges pricing may be phased over the first three years of the Water Services Strategy. This is mostly in relation to the how fast we recover depreciation costs, where prior to 2024/25 not all depreciation had been funded.

This reflects the significant cost of recent capital investment, including $40 million spent on the Stage 2 construction of a new Wastewater Treatment Plant. Council's 2021–2031 Long Term Plan and the 2024–2027 Three-year Plan both adopted a staged approach to depreciation funding over a five to six-year period.

However, the phasing of recovery for previously unfunded depreciation will not affect Council's ability to meet the revenue sufficiency threshold by 30 June 2028. From that date, the Plan is financially sustainable, with a forecast break-even position (or a small surplus of $100,000 in 2027/28), inclusive of all depreciation costs.

Affordability remains a key consideration. Average charges per connection are forecast to increase from $1,410 in 2023/24 to $2,307 by 2033/34.

Average residential water services charges are forecast to be at 1.5% (or below) of median household income, throughout the life of the Plan. Well within international benchmarks (ranging from 2% to 5%)[1] and the Department of Internal Affairs (DIA) national benchmark of 3.5%.

These figures reflect residential users only. Non-residential consumption is significantly higher and can distort average charge calculations when combined with residential data. Refer to Financial Sustainability Assessment Tables for more.

Investment response

Gisborne District Council faces a range of compliance, growth, renewal and resilience challenges that require sustained and significant investment in three waters infrastructure, over the next 10 years and beyond.

The strategic issues addressed in this Plan include:

- **Renewals - looking after what we have:** Much of the district's three waters infrastructure is ageing and in varied condition. Investment in renewals is essential to maintain levels of service and reduce long-term costs. However, inconsistent historic capital investment and delivery has created renewal peaks that must now be addressed in a more structured and sustained manner.
- **Compliance – meeting regulatory requirements:** Continued investment is required to maintain compliance with drinking water safety standards and to meet emerging environmental performance requirements for wastewater and stormwater. This supports Council's long-term strategic objectives and commitment to environmental sustainability.
- **Resilience – building a more robust network:** Cyclone Gabrielle highlighted the vulnerability of our network, particularly reliance on single points of supply. The event exposed weaknesses in both water and wastewater systems, as well as limited financial headroom to respond to emergencies. The Plan prioritises investment in system redundancy and integrated catchment management to improve overall resilience.

www.treasury.govt.nz/sites/default/files/2024-05/pc-inq-tcfw-sub-019-water-new-zealand.pdf

- **Growth – enabling urban development:** Council expects population growth of approximately 7.1% in the next 10 years, with most of this occurring within Gisborne city. This will place increasing demand on water services infrastructure. Strategic investment is required to support this growth, manage future demand and enable development in identified areas. Upcoming changes to the National Policy Statement on Urban Development (2025), along with potential implications from the Fast-Track Approvals Act, will require Council to plan for at least 30 years of development capacity. These central government reforms may necessitate updates to existing growth strategies and planning frameworks.

Investment sufficiency

Investment is required to address strategic issues, including new and renewed infrastructure to meet levels of service, achieve compliance, manage demand, support resource consenting and enable growth. These investment needs are outlined in further detail in the Network Performance section.

Council is planning to invest $214 million over 10 years to deliver on these objectives. The planned investment has been assessed against key asset performance indicators to confirm sufficiency:

Asset Sustainability Ratio: Measures renewal capital expenditure against depreciation. This ratio is projected to reach 142% by 30 June 2028, with values ranging from 104% to 147% over the Plan period. This indicates a strong commitment to maintaining the condition of existing assets.

Asset Investment Ratio: Compares total capital expenditure (renewals and growth) to depreciation. It is forecast to reach 219% by 30 June 2028, with values ranging from 166% to 298% over 10-years. This reflects sustained investment to support both asset condition and capacity expansion.

Asset Consumption Ratio: Indicates the proportion of asset life consumed by comparing the book value of infrastructure assets to their total replacement value. This ratio is projected to remain steady between 0.54 and 0.55 across the 10-year period. This means the burden of future customers to replace the network assets remains consistent over the life of the Plan. Council will continue to monitor this ratio and its underlying assumptions to ensure long-term asset sustainability and intergenerational equity.

Financing sufficiency

The delivery of planned water services investment is financially sustainable in terms of both the Free Funds from Operations (FFO) and Council's overall debt capacity. Over the life of the Plan, the FFO ratio is projected to range between 9% and 11%, stabilising at 10% from 2028/29.

Council's debt-to-revenue ratio is expected to remain within 280% throughout the 10-year period, assuming access to Local Government Funding Agency (LGFA) financing and achieving a credit rating by 1 July 2027.

By 2033/34, Council is projected to retain $254 million borrowing headroom for Whole of Council operations. Aggregated water services debt is forecast to be $153 million by 2033/34, with a projected $60 million borrowing headroom capacity.

Key indicators of financing sufficiency include:

- **Borrowing limits and headroom:** Council's consolidated debt-to-revenue ratio remains comfortably within the LGFA's 280% threshold. Forecasts indicate sufficient headroom to accommodate planned investment and respond to unforeseen events if necessary.
- **Free Funds from Operations (FFO):** The FFO ratio is projected to remain at or above 10% from 2027/28 onward.

Further analysis of financing sufficiency is provided in the Funding and Financing Arrangements and the Financial Sustainability Assessment - Financing Sufficiency sections of this Plan.

A.2 Proposed delivery model

A2.1 Selecting a water services delivery model

In August 2024 the Department of Internal Affairs (DIA) provided advice and guidance to councils on the options available to them for the delivery of water services in their districts.

The guidance outlined five possible delivery models:

- Internal business unit or division.
- Single council-owned water organisation.
- Multi-council-owned water organisation.
- Mixed council/consumer trust-owned water organisation.
- Consumer trust-owned water organisation.

In December 2024, Council considered a business case that evaluated each delivery model using multi-criteria analysis against a set of weighted investment objectives and critical success factors. The assessment aimed to determine which model, or models best meet Tairāwhiti's water service needs. The criteria were:

Investment objectives:

- **Financial sustainability:** ensuring sufficient revenue and investment to meet regulatory standards by 2028.
- **Compliant water services:** meeting water quality, economic and environmental regulations.
- **Improved service delivery:** achieving economies of scale, efficiency savings and supporting strategic goals.
- **Meeting Treaty partner expectations:** supporting meaningful involvement of mana whenua and tangata whenua in decision-making and delivery.
- **Community accountability:** ensuring information is available to communities across the region to make informed decisions.

Critical success factors:

- **Independence:** Independent governance and decision making on a water services strategy, investment, financing, revenue, service delivery and operations.
- **Affordability:** assessing whether the establishment and implementation costs are affordable.
- **Complexity:** evaluating the complexity, difficulty and time required for establishment, including staff and asset transfers.
- **Timeliness:** determining if the option can be implemented to meet statutory deadlines for financial sustainability.
- **Flexibility:** ensuring the option can evolve to meet changing circumstances over time and support future transitions into alternate delivery models.

A2.2 Business case

Council's business case ruled out both consumer trust options, as their inability to access funding from the Local Government Funding Agency (LGFA) would lead to higher borrowing costs and unaffordable charges for consumers.

Although a multi-council-owned organisation offered potential scale benefits, no viable regional option existed for Council to join. Establishing one within the required timeframe was also unrealistic.

The internal business unit and single council-owned organisation emerged as the only feasible options. Economic and financial analysis showed that the internal unit would deliver a more affordable pathway for consumers while meeting financial sustainability and compliance requirements.

On 12 December 2024, Council resolved to consult the community on both options, expressing a preference for the internal business unit.

A2.3 The selected model

Following engagement with Tiriti partners and public consultation, Council confirmed it would continue to manage and operate water services in-house.

This approach retains Council's current structure but introduces new requirements, including ring-fenced funding, strengthened financial sustainability and economic regulation. These changes enhance how Council manages, monitors and reports on water functions.

Council will continue to fund services through a mix of general and targeted rates, financial contributions and development contributions. It will deliver services in alignment with broader planning and infrastructure priorities.

To meet new legislative obligations, a Water Services Strategy will be prepared to guide long-term service planning and ensure alignment with regulatory and sustainability goals.

Under this model:

- Council retains full ownership and control of water assets and delivery functions.
- Elected members continue to provide governance and oversight.
- Council advances Treaty commitments in partnership with mana whenua.
- Regular internal reporting, a new Water Annual Report and dedicated financial statements will reinforce transparency and accountability.

Council will manage all water-related borrowing, while the internal business unit covers its share of financing costs. This includes both internal loans and external funding arrangements, supporting sustainable delivery into the future.

This enhanced model enables safe, efficient and financially transparent water services while meeting the expectations of new national legislation.

As a unitary authority, Gisborne District Council already separates its regional council and territorial authority functions. The enhanced three waters business unit will continue to operate in this manner, ensuring a clear distinction between service delivery responsibilities and Council's regulatory roles such as compliance monitoring, consenting and enforcement. This preserves transparency and avoids conflicts of interest while maintaining efficient local delivery.

A2.4 Future opportunities

Council remains open to future collaboration through multi-council Water Services Council-Controlled Organisations (CCOs), particularly in regions such as Taupō, Wairoa, Hawke's Bay and the Bay of Plenty. These entities could offer operational scale, shared expertise and financial efficiencies.

Council is actively engaging with neighbouring councils to explore such models, including non-contiguous alignments where mutual benefits can be achieved.

While adoption of the WSDP enables Council to meet its current legislative obligations and retain local control of water service delivery, it is important to note that Government may direct changes in future - such as requiring Council to join a regional entity within a specified timeframe. Council is actively monitoring this risk and has signalled its intent to review implementation settings and delivery progress within the first few years.

The selected model deliberately preserves this flexibility—allowing Council to adapt if necessary, while remaining committed to delivering sustainable, locally governed water services for Tairāwhiti.

A.3 Implementation plan

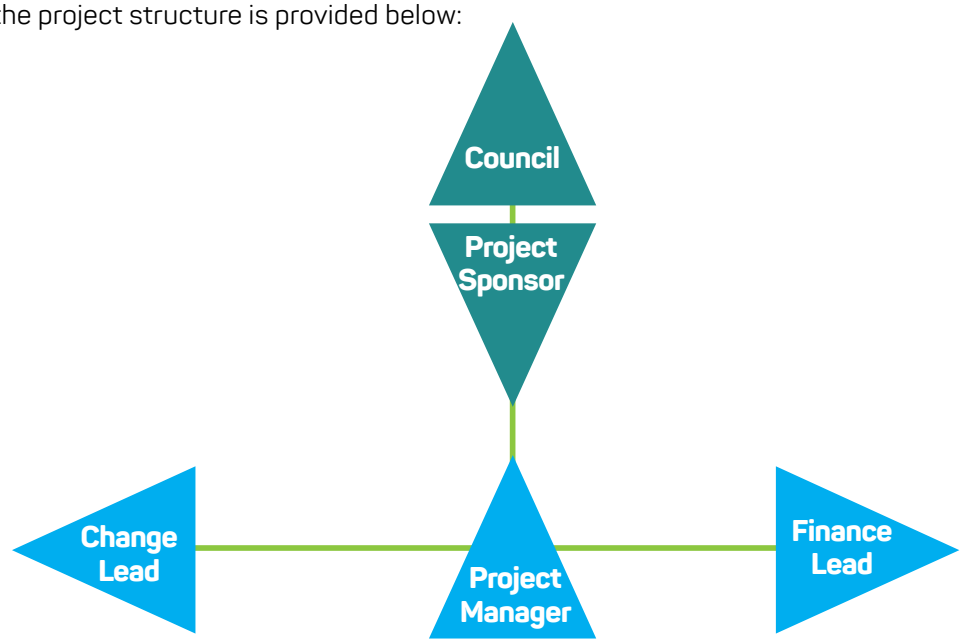
Council will implement a dedicated internal water services business unit once this Plan is approved by the Secretary of Internal Affairs.

To support this, a project team will be established to design and deliver the necessary changes, including meeting all regulatory and financial ring-fencing requirements by 1 July 2027 and achieving financial sustainability by 30 June 2028.

Governance oversight will occur through regular reporting to the Infrastructure Operations Committee. Council will establish a dedicated Water Services Committee to reflect the significance of ongoing partnerships with mana whenua groups. The detailed governance structure will be confirmed through further engagement.

The Chief Executive will act as Project Sponsor; Project Manager will be either the Water Team Manager or an external contractor, subject to confirmation.

An outline of the project structure is provided below:



Project roles and responsibilities

The project will be delivered by a cross-functional team with clearly defined roles:

Project Manager

Leads the overall delivery- including project design, risk management, communications, stakeholder engagement and progress reporting to the Project Sponsor and Council. Manages day-to-day decisions within the agreed scope and budget.

Financial Lead

Oversees all aspects of planning and implementing the financial ring-fencing of water services revenue, expenditure and reporting. Reports directly to the Chief Financial Officer on technical financial matters related to the business unit.

Change Lead

Manages all organisational change processes needed to establish the internal business unit. While structural and workforce changes are expected to be minimal, the Change Lead will ensure they are effectively planned and executed.

The project team will be supported by subject matter experts from within Council, such as communications staff - as well as external specialists as required.

Project schedule and milestones

The Project Manager will be responsible for developing a detailed project plan to guide implementation. It is anticipated the project will be delivered in three phases over a six-month period, commencing November 2026 and concluding by mid-2027.

Nov 2026 – Jan 2027

Phase 1: Preparation and planning

- Establishment of the Water Services Committee and confirmation of governance arrangements.
- Initial project planning and confirmation of key milestones.
- Financial planning for ring-fencing and separate reporting, including assessment of impacts on the rest of Council.
- Organisational design and change management planning.
- Development of a detailed implementation timeline and risk register.
- Ongoing communication and stakeholder engagement, both internal to Council and external (including mana whenua and key community stakeholders).

Feb – April 2027

Phase 2: Establishment

- Formal establishment of the separate Water Services Business Unit.
- Execution of any organisational structure and staffing changes required.
- Implementation of governance and reporting structures and frameworks.
- Delivery of water services by the new unit as business-as-usual.

May – June 2027

Phase 3: Strategy implementation

- Adoption and implementation of the first Water Services Strategy.
- Embedding performance monitoring and reporting systems.
- Handover to ongoing operational governance and management structures.

A.4 Consultation and engagement

Council engaged with mana whenua in February and March 2025 to signal the upcoming consultation and share early information on shortlisted delivery options.

Community consultation followed from 1 April to 1 May 2025, supported by a comprehensive engagement strategy including direct mail to 17,000 households, digital and print advertising, hui, static displays and radio outreach.

A total of 204 submissions were received. Of these, 90% supported the modified in-house delivery model (Option 1 - Our Water, Our Way), while 10% favoured a Council-Controlled Organisation (Option 2 - Single Council CCO).

Ninety-three percent of respondents identified as residents, most of whom were connected to all three Council-managed services - drinking water (76%), wastewater (72%) and stormwater (65%).

Submitters expressed a strong preference for retaining water services within Council. Common themes included:

- Trust in Council governance and accountability (44 mentions).
- Concern about affordability and cost equity (62 mentions).
- Support for local control and decision-making (60 mentions).
- Avoidance of additional bureaucracy and executive overheads.
- Opposition to water metering and user-pays models, especially among low-income households.
- Confidence in the visibility and responsiveness of elected councillors.

Affordability emerged as a consistent concern, particularly among those on fixed or low incomes. Many were wary that a CCO could introduce metering or volumetric charges that would disproportionately impact vulnerable communities.

Those who supported the CCO model were primarily motivated by dissatisfaction with Council's past performance or a belief that a dedicated entity could deliver better investment and environmental outcomes. Concerns about governance complexity and transparency remained common, even within this group.

Other themes included:

- A strong desire for affordable, equitable service charges.
- Continued preference for local governance and community accountability.
- Concern about environmental impacts, particularly from wastewater and stormwater.
- Mixed views on water metering and fluoridation.
- Varied understanding and support for Te Tiriti-based governance.

Submissions reflected the distinct context of Tairāwhiti - marked by affordability pressures, service access differences between rural/ urban communities and low tolerance for added governance complexity.

Rural residents raised concerns about paying for services they do not receive. Many voiced opposition to user-pays models, noting the impacts on whānau living in multigenerational households.

Overall, consultation confirmed strong community backing for retaining water services within Council through an in-house model.

A.5 Assurance and adoption of the Plan

Assurance

Council carried out internal assurance to provide the Chief Executive with confidence that this Plan:

- Complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, including alternative consultation and decision-making requirements under Part 3 of the Act.
- Contains information that is true and accurate.

In addition to internal quality assurance processes, the following independent assurance has been undertaken:

- Independent legal review against the requirements in the Act.
- Independent analysis of financial sustainability.
- External peer review of the financial aspects of the Plan.
- Independent experts and industry experts, reviewing and/or consulting with, for the developing Water Services Network renewal strategies, investment requirements and asset management plans.
- External review of population growth, supported by specialist capacity computer modelling.

Below is our current assessment of the level of confidence in the information included within the Plan:

Regulatory compliance

There is a high level of confidence that the Plan complies with legislative requirements, supported by internal documentation and existing compliance frameworks.

Asset management

There is a high level of confidence that the asset data and approach set out in the Plan are consistent with Council's asset management practices and systems.

Investment requirements and asset condition
There is a high level of confidence that investment requirements and asset condition information align with Council's asset management maturity and condition assessment methodologies. However, there are some limitations in the quality and extent of condition assessment data.

Independent asset valuations are completed every three years (last undertaken by WSP in 2022, with the next underway in 2025). In addition, targeted CCTV inspections of high-risk stormwater pipes were completed in 2024. These independent processes provide further confidence in the accuracy of asset condition and valuation information.

Financial projections
There is a high level of confidence that the financial forecasts reflect Council's underlying planning documents and assumptions. Council acknowledges the evolving nature of the water reform landscape and will continue to monitor Government policy direction to ensure the model remains fit for purpose.

A5.1 Council resolution to adopt the Plan

Gisborne District Council resolved to adopt this Water Services Delivery Plan at an ordinary meeting of Council held on 21 August 2025.

The resolution of the Council was that:

- The Gisborne District Council adopts the Water Services Delivery Plan 2025, as required under the Local Government (Water Services Preliminary Arrangements) Act 2024, for submission to the Secretary for Local Government by 3 September 2025.

The resolution was passed unanimously. A copy of the resolution is attached.

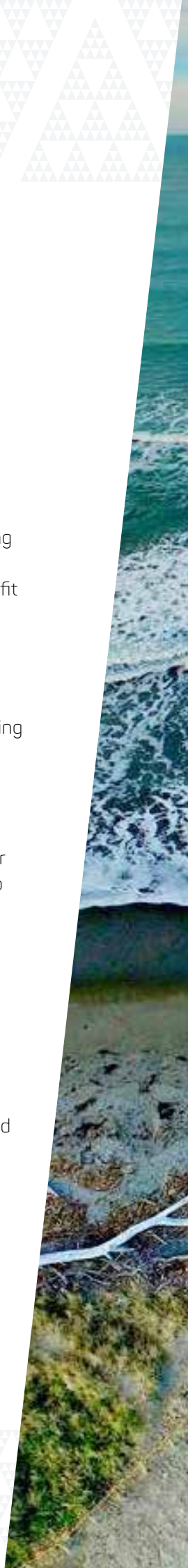
A5.2 Certification of the Chief Executive of Gisborne District Council

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.

Signed: 

Name: Nedine Thatcher Swann
Designation: Chief Executive
Council: Gisborne District Council
Date: 21 August 2025



KAUWHITI B: Mahi a te whatunga
PART B: Network performance

B.1 Investment to meet levels of service, regulatory standards and growth needs

B1.1 Serviced population

In the 2023 census, Gisborne District had a population of 51,135, an increase of 3,618 people (7.6%) since the 2018 census and up 7,482 people (17.1%) on the 2013 census. Over the next 30 years, the population is forecast to grow by a further 17.5% to 60,100 people.

With a population of 38,800, Gisborne is the only urban area in the district with more than 1,000 residents and is home to 72.8% of the district's population.

Approximately 72% of the population, or 36,232 people, are currently serviced by the water network through 12,728 residential and 1,815 non-residential connections.

B1.2 Growth forecasts

Growth forecasts for the Gisborne District have been revised following analysis of the 2023 Census data and updated building consent trends. These revised projections are reflected in Table 1 and will inform future infrastructure planning and water services delivery across the district.

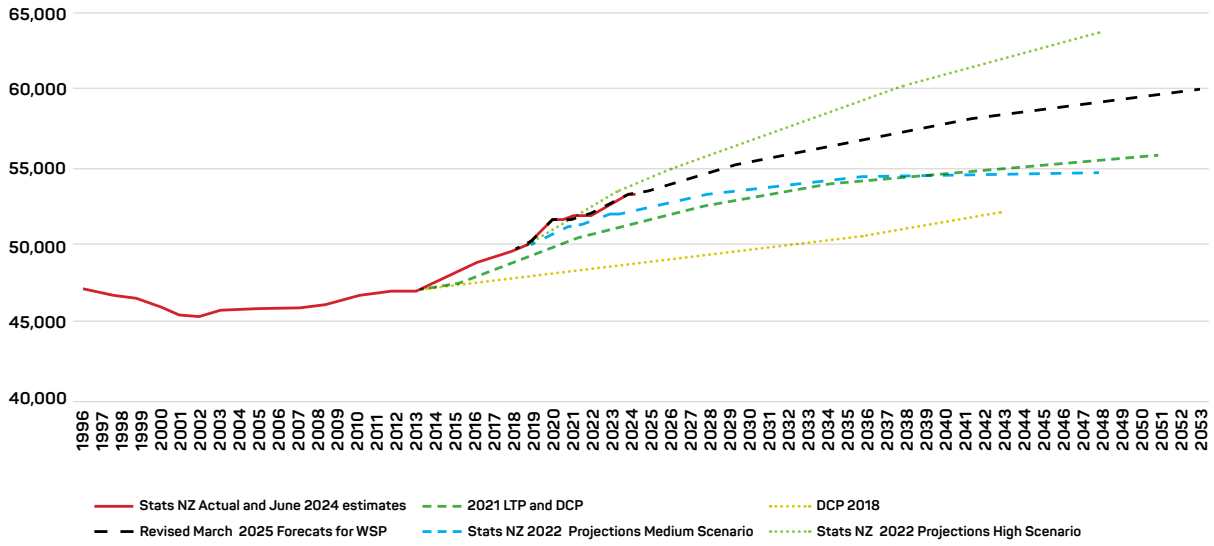
Since the COVID-19 pandemic, population growth has been stronger than anticipated. Annual estimates from Statistics New Zealand have exceeded assumptions used in Council's 2024–2027 Three-Year Plan. Building consents have remained high and are consistent with projections from the 2021 and 2023 growth models. The 2023 Census confirmed a higher starting population - more than 2,000 above earlier estimates in the 2021-31 Long Term Plan.

This higher growth is attributed to post-pandemic migration, increased immigration and underestimation of recent trends by national forecasts. Notably, average household occupancy increased from 2.9 people per dwelling in 2018 to 3.0 in 2023, an unusual reversal of the trend toward smaller households. These changes have driven a significant uplift in residential development across the district.

While recent growth has been strong, several of the factors contributing to it - such as return migration and immigration spikes, are not expected to continue. With changing immigration patterns, high construction costs and declining house prices, growth in residential building activity may moderate in the medium term.

Past projections assumed that 90% of new housing would be within Gisborne city. However, only around 55% of consents in the last five years have occurred in the urban area. There has been a marked increase in rural lifestyle developments and steady population growth in coastal and rural settlements, though these areas have not seen corresponding increases in new housing. Given on-going uncertainty in growth projections, especially beyond the short term, future Water Services

Strategies will incorporate updated forecasts. The next update is scheduled for 2027/28. For the purposes of this Plan, higher growth assumptions have been retained to support prudent forward investment in infrastructure and service capacity.



(Source: Thomas Consulting, 2025)

B1.3 Serviced areas

Water supply

The Council provides reticulated drinking water to residents and businesses within the Gisborne urban boundary.

It also supplies smaller-scale supplementary water to Te Karaka and Whatatutu townships to top up other household sources, such as rainwater tanks and small-bore systems. Community drinking water stations are available for self-service in Muriwai and Patutahi.

Raw water for Gisborne city is sourced from surface water catchments to the west - approximately 70% from the three Mangapoike dams and 30% from Te Arai Bush catchment. Water is piped to the Waingake Water Treatment Plant for processing, then flows by gravity to the city, topping up reservoirs before being distributed through the water mains to property boundaries.

Waingake Water Treatment Plant (above) and the HC Williams Dam (below)

This supply is supplemented by water from the Waipaoa River, treated at the Waipaoa Treatment Plant. The secondary source provides support during peak periods when consumer demand is high or supply from main sources is reduced due to weather or technical issues with treatment systems. Additional capacity is provided by city reservoirs which are kept filled as part of the public reticulation network.

Water for Te Karaka is drawn from bores near the Waipaoa River, while Whatatutu is supplied from the Mangatu River. In both locations, raw water is treated before being delivered to household tanks.

Properties not connected to the piped system – including rural households and smaller settlements – rely on private supplies such as rainwater collection, bores, springs or surface water. These are independently owned and managed. Approximately 12,000 people (about 23% of the district's population), including nearly 70 marae, are served by private supplies rather than the public system.

Key information about drinking water services

36,943

Population – total
- 36,260 Gisborne
- 488 Te Karaka
- 195 Whatatutu

72%

Percent population inside network

28%

Percent population self-supplied

14,544

Service connections
- 14,317 Gisborne
- 167 Te Karaka
- 44 Whatatutu

14235m3

Potable water produced daily
- 5.210 million m3 annually

5.21M m3

Potable water produced annually

304km

Reticulated pipe – (mains water)
- 14,317 Gisborne

141km

Reticulated pipe (water laterals)

Wastewater

Council provides reticulated wastewater services to residents and businesses within the Gisborne urban area, along with a smaller scheme in Te Karaka. It also operates three septage disposal facilities in Te Araroa, Ruatoria and Te Puia Springs, with a fourth proposed for Tolaga Bay currently in consultation and design stages.

Te Karaka has a basic wastewater system where sewage is pumped from homes to an oxidation pond for treatment before being discharged into the Waipaoa River.

Properties outside these serviced areas rely on private on-site systems, such as septic tanks. While these systems are not Council-managed, regional disposal facilities support safe and compliant waste removal. An estimated 16,000 people, about 31% of the population, are not connected to a reticulated service. This includes marae, along with many rural schools and businesses.

Key information about wastewater services

35,133 — **Population – total**
- 34,637 Gisborne
- 496 Te Karaka

69% — **Percent population inside network**

31% — **Percent population outside network**

13,877 — **Service connections**
- 13,700 Gisborne
- 177 Te Karaka

235km — **Reticulated pipe – (wastewater mains)**

95km — **Reticulated pipe (wastewater laterals)**

Urban stormwater

Council owns and operates a public stormwater system serving Gisborne city, including the Makaraka and Wainui/Okitu areas, as well as urban areas in 12 rural communities spanning from Wharekahika to Matawai.

Details of areas serviced by the reticulated water networks are provided in Table 2.

Levels of service

Council regularly meets its key performance indicators (KPIs) across water supply, wastewater and stormwater. However, levels of service were impacted in 2023 due to Cyclones Hale and Gabrielle. The key areas affected were:

Water supply

- Increased water loss due to reduced metered volumes and lack of data from damaged meters.
- Higher levels of customer complaints regarding supply continuity e.g: pipeline breaks and water discolouration from alternative source use.
- Reduced customer satisfaction linked to concerns over network fragility, erosion and debris risks.

Wastewater

- Prolonged attendance and resolution times due to sustained contractor pressure during the extended response and recovery period.
- A decline in customer satisfaction as a result of continued service disruptions caused by major weather events.

Stormwater

- Severe weather in 2023 led to a rise in localised flooding across the district.
- Major storms placed significant pressure on the stormwater network, resulting in increased complaints and a decline in satisfaction during quarters three and four.
- The volume and severity of stormwater-related issues during weather events negatively affected community perceptions of reliability.

Full details of regulatory compliance and levels of service are shown in Tables 3, 4,5,6 and 7.

Future Development Strategy

The Future Development Strategy (FDS), adopted by Council in March 2024, identifies broad spatial areas to support projected population and housing growth over the next 30 years. It also outlines key infrastructure required to enable that growth. An Implementation Plan and series of Master Plans are currently in development. The FDS will inform future updates to the Tairāwhiti Resource Management Plan, Water Services Strategy and Regional Land Transport Plan.

It's estimated the FDS will provide capacity for new houses through a mix of housing choices:

- Intensification areas (4,050 homes)
- Greenfield development (780 homes)
- Rural residential/lifestyle (570 homes)

Further details of specific growth areas and growth-related water infrastructure included in the capital programme over the next 10 years is outlined in Table 2.

Note: several of these projects are provisional pending further investigations and modelling work to validate growth assumptions, explore options and confirm business cases/costings.

Localised service expectations

While Council applies consistent levels of service across the district, it recognises that some communities require tailored arrangements due to geography, population scale, or infrastructure characteristics. For example, the Muriwai community benefits from dedicated water storage facilities to support local resilience and continuity of supply.

Council's approach is to:

- Maintain district-wide minimum standards of drinking water quality, wastewater treatment and stormwater management.
- Identify communities with localised infrastructure solutions (such as community-specific storage or bespoke treatment systems).
- Work with these communities to set and periodically review realistic service expectations, ensuring investment decisions balance equity, affordability and resilience.
- This approach ensures the Water Services Delivery Plan reflects not only the district-wide service picture but also the local realities of water service delivery in Tairāwhiti.

B1.4 Water services network condition assessment

Above ground network assets

Water supply

Major above-ground assets in the water supply network include three water storage lakes at Mangapoike, two water treatment plants (Waingake and Waipaoa) and two smaller scale supplementary water supplies at Te Karaka and Whatatutu. The network includes 12 major pumpstations.

Although aging, both the Waingake Water Treatment Plant (rebuilt in 1992) and the Waipaoa Water Treatment Plant (built in 1993) remain in reasonable condition. Equipment and components are being progressively renewed, with a medium-term focus on electrical systems. A new risk has been identified relating to land stability above the Waingake site, which will require remediation. Funding for this work is included with other Waingake Treatment Plant works, beginning in 2027.

Wastewater

For wastewater, there is one primary treatment plant in Gisborne, with a smaller oxidation pond treatment site at Te Karaka. There are few assets at this site.

The main wastewater treatment plant is relatively new and in good condition, though ongoing plant and equipment renewals will need to be refined through a more detailed breakdown of plant and equipment.

Stormwater

The stormwater network has no treatment or pumping assets.

Below ground network assets

The underground pipe network comprises approximately 445km of drinking water pipes, 330km of wastewater pipes and 176km of stormwater pipes. Average pipe ages range from 42-years for stormwater to 49.7-years for wastewater. While useful life varies depending on material type, most pipes are designed to last about 100 years. Based on average age, the district's pipe networks can generally be considered middle-aged.

Further details on water services asset condition are provided in Table 3.

Assessing pipe network condition

Evaluating the condition of buried water service networks presents inherent challenges due to inaccessibility. While closed-circuit television (CCTV) inspections provide a reliable method for evaluating the condition of wastewater and stormwater pipes, they are costly and typically prioritised for critical network components.

Council has completed CCTV inspections on all high criticality wastewater mains, which has led to targeted repairs and replacements where required. A smaller CCTV programme has also been carried out for stormwater infrastructure, focusing on at-risk areas such as high traffic intersections.

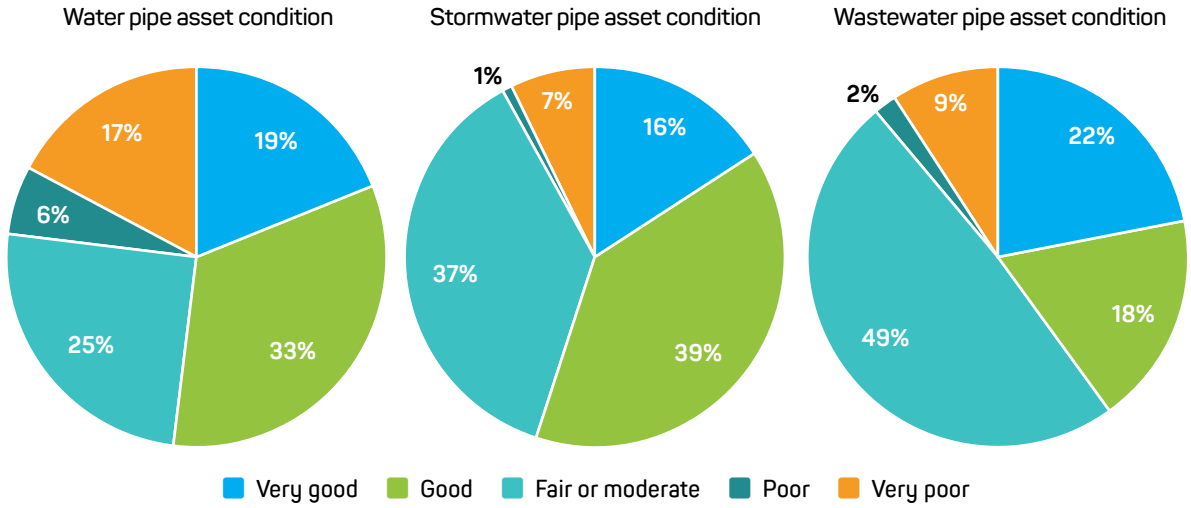
To provide a general indication of overall network condition, inferred condition ratings are used.

These are based on asset age and Remaining Useful Life (RUL), consistent with the Institute of Infrastructure Asset Management (IIMM) and the Institute of Public Works Engineering Australasia (IPWEA) Condition Assessment and Asset Performance Guidelines (see table below):

Condition rating	Lower RUL	Upper RUL
Very Good	80%	100%
Good	50%	79%
Fair	20%	49%
Poor	5%	19%
Very Poor	0%	5%

When the ratings are applied across our networks, the following charts provide an estimate of pipeline condition.

Below ground water services asset condition ratings



The charts suggest that a relatively small proportion of network pipeline assets are in poor or very poor condition. These assets would form the bulk of the short to medium term renewal priorities. Note that pipeline age and RUL is just one factor used to build renewal programmes. This is further described in the Asset Management Approach - Asset Renewals section.

Water network pipelines are generally in good to fair condition, with the exception of older, smaller-diameter asbestos cement (AC) and cast iron pipes, which account for 21% - some dating back to 1909. Most failures occur in AC mains, which are a key focus of the renewals programme. Cast iron pipes, among the oldest in the network, have experienced intermittent asset and connection failures, along with occasional discolouration issues. Internal corrosion (tuberculation) also reduces performance. These issues are being addressed as part of the medium-term renewals programme.

The Waingake bulk supply treatment water pipeline and raw water pipeline are in variable condition with corrosion mainly observed at gibault joints. Renewal of pipeline coatings and replacing gibault joints with welded connections will help to meet projected remaining life of these pipelines.

Of the 235km of wastewater mains, earthenware and asbestos cement are the oldest and in the poorest condition. Earthenware pipes are likely to contribute to groundwater infiltration. Recent renewals have focused on large-diameter interceptors, with future work shifting toward lateral connections, which are assumed to be in similarly poor condition.

The majority of the stormwater network was constructed between 40 and 70-years-ago. Based on estimated remaining life, most of the stormwater pipes are considered to be in good condition. Much of this network comprises reinforced concrete, which does not degrade in the same way as similar materials used in wastewater systems.

Further detail on water services asset condition is provided in Table 3.

B1.5 Asset criticality

Critical assets are those whose failure would have the most significant impact on service delivery, public health and safety, the environment or replacement and repair costs.

At a high level, critical water assets include the Mangapoike dams, water treatment plants (Waingake and Waipaoa), city pump stations and key water reservoirs. For wastewater, critical assets comprise the Gisborne Wastewater Treatment Plant, major pump stations, the ocean outfall pipe and Te Karaka oxidation pond.

On a more detailed level, all water services pipelines are assigned a criticality rating using a five-point scale, based on guidance from the International Infrastructure Management Manual (IIMM). This rating considers factors such as pipe diameter, proximity to buildings and, for wastewater, whether the pipe functions as a pressure main.

Criticality data is used in renewals planning (see Asset Management Approach - Asset Renewals section) and is further described in Table 3.

B1.6 Renewals backlog

Renewals have been deferred on parts of the network in recent years due to funding constraints. This has created a backlog of assets that have exceeded their expected useful life, increasing the risk of reduced performance or failure. Council is progressively addressing these backlogs through targeted investment across water, wastewater and stormwater networks.

Water supply

A total of 23.6km of water mains and service lines, valued at $9.9 million, have exceeded their expected useful life. Council intends to replace these assets over the next 10-years, along with a further 30.4km (valued at $12.1 million) that are forecast to require renewal during the same period. While the Waingake and Waipaoa water treatment plants are relatively modern, they require componentisation to optimise operations, maintenance and support future renewal planning. Renewal needs will be reassessed once this process is complete.

Wastewater

As at September 2023, 28.1km of wastewater mains and 22.8km of service lines have exceeded their expected life. These create a renewal backlog valued at $17.4 million ($11.5 million for mains and $5.9 million for service lines). Council aims to address this backlog within the next five-years through the DrainWise programme, which is focused on reducing stormwater inflow and infiltration into the wastewater system. Over the next decade, a further 1,138m of wastewater mains and service lines (costing approximately $546,000) are also scheduled for renewal. Although Banks Street Wastewater Treatment Plant is relatively new, a more detailed component breakdown is needed to accurately estimate future renewal requirements. Initial assessments indicate a higher renewals budget is required, this has now been incorporated into renewal plans.

Stormwater

Currently, 2km of stormwater mains have exceeded their expected life, creating a renewal backlog valued at $1.6 million. These mains are scheduled for renewal within the 10-years, alongside a further 10km of stormwater pipes nearing the end of their life, with an estimated cost of $7.8 million. Stormwater service lines connected to private properties are not owned or maintained by Council and are therefore excluded from these figures.

B1.7 Asset management approach

This section outlines the Council's approach to managing water services assets.

Service delivery mechanisms

Water services are delivered through a Water Team within the Community Lifelines Hub, led by the Director Community Lifelines.

The Water Team reports to a Water Services Manager and comprises about 30 staff across five functional teams covering capital planning, project management and three waters - water, wastewater and stormwater.

Operations and maintenance activities are carried out by a contracted service provider currently in year six of a seven-year maintenance agreement.

Under 'Our Water, Our Way', Council will continue to deliver water services through an in-house business unit that meets legislative and regulatory requirements, as outlined in Part A of this plan.

Asset management systems

Council uses a suite of integrated systems and tools to manage water assets across their lifecycle, from maintenance planning and execution to long-term investment decision-making.

Key systems include:

- The core asset management system is Infor Public Sector (IPS) v11.2, including asset valuation and work order management.
- Spatial mapping of asset location is undertaken using ESRI ArcGIS Pro, linked to IPS.
- Document and records management is managed by Objective 11.4.
- Unstructured data (photos, CCTV etc) is stored on Gisborne District Council file servers.
- Mobile data captured in the field by contractors uses customised ArcGIS FieldMaps which integrates with IPS and GIS.
- Renewal planning is undertaken by export from IPS and analysis in Excel.

Asset management framework

Council's overarching strategic asset management document is currently the 30-Year Infrastructure Strategy, developed every three-years as part of the Long Term Plan (LTP). This strategy provides the policy direction and framework for managing critical infrastructure assets. It is informed by Activity Management Plans (AMPs), which are developed for water supply, wastewater and stormwater services. These AMPs are 10-year plans, with detailed focus on the first three years. The last full LTP was 2021-31. This approach will transition to a dedicated Water Services Strategy once the Local Government (Water Services) Bill is passed into law.

Following severe weather events in early 2023, the Severe Weather Emergency Recovery Legislation Act was enacted. Under a special Order in Council, the 2024–27 LTP and Infrastructure Strategy were limited to three years, enabling greater focus on recovery in the most affected regions.

The medium to long-term outlook for this Plan draws on the 2021–31 LTP and has been updated to reflect new asset management drivers including growth, resilience, renewals and regulatory compliance. From 2027/28, Council will be required to provide a separate Water Services Strategy in accordance with the Local Government (Water Services) Act 2025.

Asset management is one of Council's 12 strategic risks. It is actively managed by the Risk and Performance Team and focuses on causes, consequences and controls associated with the risk of failing to provide sustainable, fit-for-purpose infrastructure services.

Asset renewals

Pipeline renewal priorities are determined using a risk-based approach that evaluates the Likelihood of Failure (LOF) against the Consequence of Failure (or criticality), as outlined in the table below:

RISK RATING		CRITICALLY				
		1	2	3	4	5
LIKELIHOOD	1	LOW	LOW	LOW	MEDIUM	HIGH
	2	LOW	LOW	MEDIUM	MEDIUM	HIGH
	3	LOW	LOW	MEDIUM	HIGH	HIGH
	4	LOW	MEDIUM	HIGH	VERY HIGH	VERY HIGH
	5	LOW	MEDIUM	HIGH	VERY HIGH	VERY HIGH

This helps prioritise investment toward the highest-risk assets, those in the red and orange zones, considered both highly critical and most likely to fail - are targeted first for renewal.

- **Likelihood of Failure** is estimated based on asset age, using a simple categorisation tied to 20% increments of expected asset life. Older assets are assumed to be in poorer condition and therefore more prone to failure.
- **Criticality ratings** are based on factors such as pipe diameter (impact on numbers of customers), proximity to buildings and waterways. Low criticality pipes are individual service lines -usually the same age and material as the parent main. They are renewed at the same

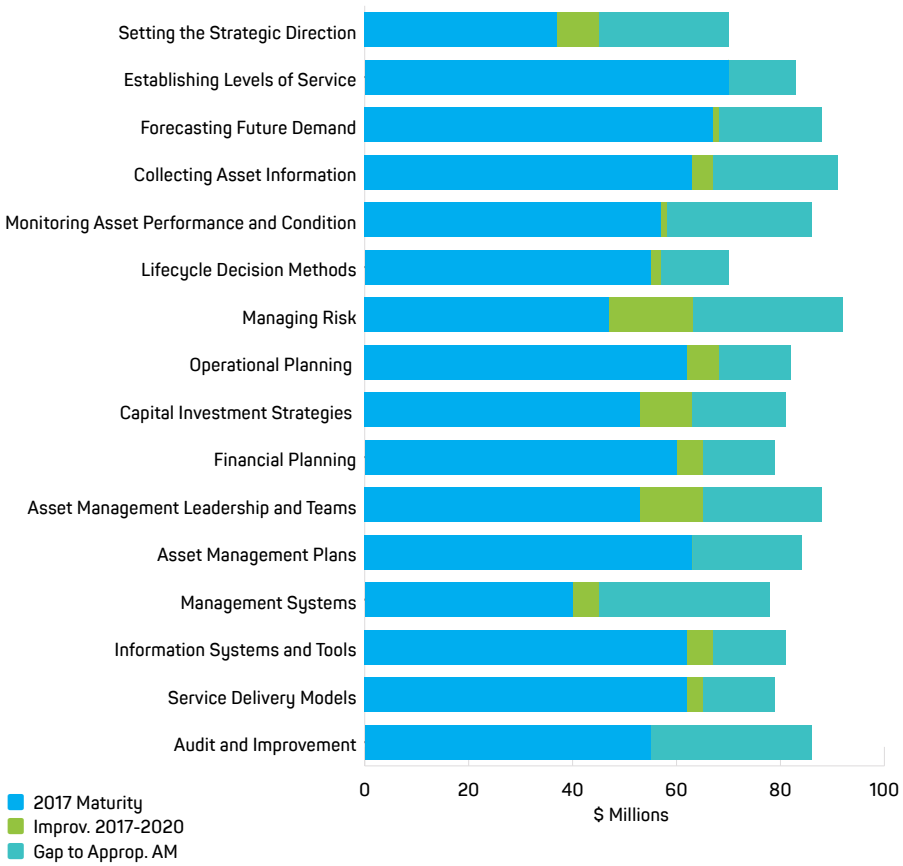
time as the main.

- **Pipeline performance** is also assessed. CCTV inspections are carried out on selected mains - typically older pipes or those with higher criticality. Inflow and infiltration performance is evaluated for mains with brittle materials (e.g: earthenware), vulnerable joints or deep burial. Assets identified through this process are advanced in the renewal programme.
- **Repair and maintenance records** are also reviewed, identifying recurring issues tied to material type, age or specific locations that may indicate systemic problems.

This methodology results a prioritised list of renewals to be built into annual, three-year and 10-year programmes of work. Planning includes geographic grouping of renewals to maximise economic and delivery efficiency, plus smoothing of project timing, scale and cost. This supports consistent resource allocation for both Council and contractors.

Note: despite this structured approach, year-to-year variability in renewal budgets may still occur,often due to significant capacity upgrade projects (particularly in stormwater), where costs are classed as part renewals and part service level improvements and/or growth.

Overall three waters asset management maturity assessment (averaged)



The Water Services Strategy will adopt a longer-term perspective- looking out at least 30 years to provide a more comprehensive view of future asset renewals and long-range investment needs.

Asset management maturity assessment

Council applies the International Infrastructure Management Manual (IIMM) framework to assess asset management maturity. Maturity across each of the 16 IIMM processes is self-assessed through internal workshops with senior waters staff. This process also includes defining appropriate target maturity levels for each water service area.

The last assessment was completed in 2020, with overall maturity rated at an average of approximately 75% of appropriate targets. The graph (left) illustrates comparative maturity levels for each of the assessment categories in 2017 and 2020.

A follow-up assessment was scheduled for 2023 but was deferred due to Council's focus on response and recovery efforts following Cyclone Gabrielle. Council will undertake an external asset management maturity assessment in the 2025/26 financial year.

The last independent valuation of three waters assets was undertaken in 2022 by WSP, Council's external engineering and asset valuation consultant. Valuations are completed on a three-year cycle, with the 2025 valuation currently underway. Targeted CCTV inspections of high-risk stormwater pipes were also carried out in 2024 to provide an independent condition assessment.

B.2 Statement of regulatory compliance

This section outlines Council's compliance with regulatory requirements for water services.

B2.1 Resource consents

Council currently holds four water take consents, five water discharge consents, five wastewater discharge consents and two wastewater network consents for Gisborne. All water take consents are due to expire within the next 10 years, while wastewater discharge consents remain valid until 2042.

We are currently non-compliant with the Gisborne Wastewater Treatment Plan discharge consent until an effective tertiary filter is obtained and installed which is expected to be within the next 12 months.

Minor non-compliance risks exist across a small number of consents, including:

- Waingake and Te Karaka water discharge consents.
- Dry weather overflows from the wastewater network.
- Te Karaka Oxidation Pond discharge consent.

There are currently no active resource consent applications. However, renewal of the Te Arai water take consent is planned and must be completed by 2026. In addition, a stormwater discharge consent will be sought.

Overall compliance with consents is good, as there are no current abatement notices and only three infringement notices have been issued in the past three years.

Council is committed to meeting evolving regulatory requirements, including anticipated changes to wastewater standards and other environmental consents under the Water Services Act 2021 and the Resource Management Act 1991.

Table 4 contains detailed information on the Council's resource consents, including expiry dates.

B2.2 Water services regulations

As a registered drinking water supplier, Council must comply with the Drinking Water Quality Assurance Rules 2022 (DWQAR) and the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWS).

Quarterly independent assessments and annual audits are conducted by Wai Comply Limited, applying the bacterial and protozoal modules of the DWQAR (or equivalent). These assessments ensure Council meets national requirements for drinking water treatment and disinfection.

Since 2021, Council's water supplies have consistently complied with bacterial and protozoal treatment standards.

Temporary exceptions occurred during:

2021/22: The Te Karaka Water Treatment Plant did not fully meet compliance for a short period due to an incomplete treatment process.

In the past three years, Council's compliance obligations have also been tested through significant service disruptions.

Boil water notice: a notice was issued on 26 February 2023 for Manutuke and Matawhero following Cyclone Gabrielle. These communities were temporarily supplied via backfeed from Waipaoa, and residual chlorine levels above the 0.2 mg/L minimum could not be assured. The notice remained in place for 35 days and was lifted on 30 March 2023 once Waingake supply was reinstated.

Water Restrictions: Following Cyclone Gabrielle on 14 February 2023, multiple breaks in the Waingake pipeline required reliance on Waipaoa treatment plant at reduced capacity. Although water produced remained compliant, restrictions were applied to manage supply, as outlined below:

Date	Restriction Level	What this meant in practice
15 February 2023	Level 6 – Crisis	Water use limited to absolute essentials
1 March 2023	Level 4	Small industrial allocation; no outdoor use; commercial limited to hygiene, food and drinking
29 March 2023	Level 3	Maintain water savings; limited outdoor use; sprinklers prohibited.

NOTE: Restrictions were in place for 88 days, fully lifted on 30 March 2023 once Waingake supply was restored.

Gisborne's primary water supply is fluoridated through the Waingake and Waipaoa Water Treatment Plants. The smaller supplementary supplies at Te Karaka and Whatatutu are not yet fluoridated.

Further regulatory compliance details and information on fault response times and customer satisfaction for water supply, wastewater and stormwater networks are shown in Tables 5, 6 and 7 respectively.

B.3 Capital expenditure required

Gisborne is the main population centre, with smaller rural and coastal townships spread throughout the wider district. Most of these communities do not have any reticulated water services. As a result, Gisborne's water service networks remain localised and relatively simple.

The city's primary water supply is sourced from dams located approximately 40km away. Due to their elevation, these dams provide sufficient pressure to deliver water to city reservoirs and the reticulation system under gravity. Booster pumping is only required in specific areas, during seasonal peak demand or to preserve dam water levels in spring. A second water treatment plant, recently constructed near the city, provides additional treatment capacity from a river source, offering system resilience.

A modern wastewater treatment plant serves most of the district's population, with the exception of a small rural community serviced by an oxidation pond. All treated wastewater is discharged to the ocean via a 1.8km marine outfall pipe. Significant investment has already been made to ensure the quality of treated wastewater.

Gisborne's stormwater network is a passive, gravity-based system that requires no need for pumping.

However, a step change in infrastructure capacity is needed to allow growth at the levels described above, and to allow for greater intensification as indicated in the Council's Future Development Strategy (FDS).

Although the network is generally in good condition, Council currently has a backlog of renewals. Addressing this backlog is included in our planned renewals investment. Wastewater is projected to be up to date within five-years, while stormwater and water infrastructure will be addressed over a 10-year period.

New regulatory requirements are being developed as part of the Resource Management and Local Water Done Well reform programmes, including revised national standards for drinking water and wastewater. Council will need to increase the current levels of service for some of its water services infrastructure to meet the new standards. Mana whenua and the wider community have also clearly stated expectations regarding improved management of wastewater and stormwater discharges.

While water services have been restored following Cyclone Gabrielle, the water network is less resilient than it was before, and it would take a smaller event to disrupt supply. In many cases, planned expenditure is therefore not to increase resilience but rather restore it to pre-cyclone levels. Some assets will need upgrading to cope with future extreme weather events and require repairs or replacement following more intense storms. Gisborne also has limited water storage, and if this is impacted by an adverse event there may be significant consequences. New investment to improve water security is therefore included in this Plan.

Taking these matters into account, Council's 10-year capital investment plan (starting in 2024/25) aims to:

- Maintain current and planned levels of service.
- Ensure ongoing operation, maintenance and renewal of network assets.
- Meet regulatory requirements.
- Support housing growth and urban development.

Council has committed to significant investment in water infrastructure, with $214 million planned over the 10-years to 2033/34 to achieve the outcomes outlined above. This is detailed in Table 8.

There is currently no Long Term Plan in place. In June 2024, Council adopted a Three-Year Plan (2024–2027) to support recovery from Cyclone Gabrielle. This includes both Council-funded projects and capital works supported through the government's cyclone recovery package.

The capital investment outlined in the first three years of this Plan aligns with the Three-Year Plan and represents a significant increase on past expenditure. Further detail is provided in the section below.

Compared to the 2021–2031 Long Term Plan, this Plan reflects a major uplift in capital investment. This is essential to meet the objectives outlined earlier and to ensure water services are financially sustainable by 30 June 2028.

Capital investment levels for the water network between 2028 and 2031

Capital expenditure ($000)		2028	2029	2030	2031
Drinking Water	**LTP**	2,958	3,142	2,133	1,897
	WSDP	7,900	9,838	11,438	9,432
	Increase	**167%**	**213%**	**436%**	**397%**
Wastewater	**LTP**	7,493	7,402	4,720	5,418
	WSDP	7,913	9,559	9,760	9,579
	Increase	**6%**	**29%**	**107%**	**80%**
Stormwater	**LTP**	1,355	1,801	1,863	687
	WSDP	2,127	3,943	4,093	4,404
	Increase	**57%**	**119%**	**120%**	**541%**
Total	**LTP**	11,806	12,346	8,715	8,002
	WSDP	17,939	23,340	25,290	23,415
	Increase	**52%**	**89%**	**190%**	**195%**

Note: Amounts are uninflated.

These substantial increases present delivery challenges. To manage this, a phased roll-out of projects has been planned, with activity ramping up over time to support the development of both internal and contractor delivery capability. Since Cyclone Gabrielle, Council has significantly strengthened its project management capacity and capability through targeted recovery initiatives.

This has included the recruitment of experienced project managers, the development of robust delivery frameworks, and the move to establish a Project Management Office (PMO), which will play a central role in coordinating, sequencing, and assuring delivery planning for water services investments.

The sharp rise in drinking water investment is driven by the need to address a backlog of pipeline renewals, strengthen resilience and critical asset performance following Cyclone Gabrielle, and meet growth-related demand.

Details of required capital expenditure to deliver compliant water services are shown in Table 8, with planned major projects listed in Tables 23, 24 and 25.

B3.1 Historical delivery against planned investment

Between 2018 and 2024, actual investment exceeded planned levels by 91% for water renewals and 117% across all water services. This over-delivery reflects additional government funding for Cyclone Gabrielle recovery and higher-than-expected costs during Stage 2 construction of the Banks Street Wastewater Treatment Plant.

Further details on historical investment performance are provided in Table 9.

The under-delivery shown for 2024/25 reflects progress to date, with full delivery expected by year end.

KAUWHITI C: Ngā whakaritenga moni me ngā tahua
PART C: Revenue and financing arrangements

C.1 Charging and billing arrangements

C1.1 Current residential vs non-residential users

Residential

Drinking water

Rated based on a combination of:

- A fixed amount per separately used or inhabited part of a rating unit.
- An availability charge for properties not connected but within 100 metres of a public water supply and able to be connected (charged per rating unit).
- An amount per cubic meter of water consumed for some identified extraordinary domestic or residential users. Domestic extraordinary users are those connected and within defined rural areas[2]. They are charged when water supplied is above 300 cubic metres.
- Residual amount collected through the general rate based on capital value.

Fees and charges (connection and disconnection fees, final water readings where applicable for defined extraordinary domestic users).

Financial contributions to fund capital works, projects and the interest costs for growth related projects.

Wastewater

Rates are based on:

- A fixed charge per toilet (pan) for properties connected to the wastewater system for Gisborne City.
- A fixed charge for properties connected to the wastewater system for Te Karaka.
- A residual amount collected through general rates, based on capital value.

Fees and charges for wastewater connection and disconnections.

Financial contributions to fund capital works and projects, the interest costs for growth related projects.

[2]Defined within the Water Supply Bylaw 2015

Stormwater

Rates are based on:

- A fixed amount per separately used or inhabited part of a rating unit in certain rural towns (Defined as DRA3, DRA4 and DRA5[2]) - Manutuke and Patuahi townships.
- A fixed amount per residential rating unit in Gisborne City and nearby areas (DRA1A) - including Sponge Bay, Wainui and Okitu.

- A residual amount collected through the general rate based on capital value.

Fees under the DrainWise programme, where Council carries out work on private property (e.g: removing downpipes from gully traps).

Financial contributions to support capital projects and interest costs for growth-related infrastructure.

Rates remissions

Various remissions provided under Council's Rates Remissions Policy will continue to be available to customers. This includes remissions for exceptional circumstances, financial hardship and excess water charges resulting from leaks or breaks beyond the customer's control. Any remission granted will be offset against Water Services revenue, but only to the extent that the remission relates to Water Services.

Non - Residential

Drinking water

Charged as per residential users, plus:

- Rated based on a combination of residential rates as outlined above and an amount per cubic meter of water consumed.
- Fees for water drawn from Waipaoa tanker filling station.

Actual average commercial and industrial water meter charges for 2024/25 was $4,231. A total of 650 users receive volumetric fees, with annual costs ranging from less than $100 to $448,000. The top ten users paid an average of $93k for the full financial year.

Wastewater

Same as residential plus rates are based on:

- A fixed charge per toilet (pan) for Gisborne City.
- A fixed charge per toilet (pan) for Te Karaka.
- A residual amount collected through the general rate based on capital value.

Trade waste fees are applied to industries discharging trade waste into the city wastewater system. In 2024/25, total charges were $270,000 across 156 users, with an average annual charge of $1,735 per user.

[2] *These areas are defined within the 2024-2027 Three Year Plan Rates Funding Impact Statement.*

Stormwater

Charged on:

- A targeted rate for commercial and industrial land in Gisborne City and surrounds (defined as DRA1 and DRA1A), based on capital value.
- A fixed amount per separately used or inhabited part of a residential rating unit, within Gisborne City and neighbouring areas (DRA1A) including Sponge Bay, Wainui and Okitu.
- A residual amount collected through the general rate based on capital value.

Fees and charges (connection to the stormwater network) based on a per connection basis.

Financial contributions for capital works, projects and the interest costs for growth related projects.

C1.2 Proposed charging mechanism

Council proposes introducing targeted rates for water, wastewater and stormwater services with the following changes:

- Remove the current 10% residual general rate for water services.
- Replace it with targeted rates based on capital value, closely matching current general rates per property.
- Begin a price harmonisation pathway where required.
- Pilot volumetric charging models from 1 July 2027, aligned with the rollout of residential water metering. Adjustments will be informed by demand trends and customer impact analysis over the 2027-2034 period.

All other charges will remain consistent with current mechanisms.

C1.3 Reporting separation of revenue and expenditure

Water services will be delivered through an in-house business unit, with revenue and expenditure ring-fenced from other activities. Financial and operational systems will be structured to track water-related revenue and costs. Separate balance sheets and rates will be maintained, ensuring clear attribution of revenue and expenditure across drinking water, wastewater and stormwater activities.

We already have the majority of water services statements separated, which is fully automated within our accounting system. This includes separate Statements of Performance for each activity, separation of major balance sheet components (reserves, loans, assets), and Funding Impact Statements. Minor system changes will be developed to enable a fully separated Statement of Financial Position.

C1.4 Internal borrowing arrangements

Council uses an internal borrowing framework to allocate debt across its departments. A centralised treasury function manages this process, distributing debt based on departmental transactions, existing balances and capital borrowing needs.

Water services will operate under this framework, with debt managed on a net basis-offsetting reserves against borrowings to minimise the need for external funding.

The Treasury Policy outlines borrowing mechanisms and sets the following purposes for borrowing:

- To fund general debt for water services balance sheet.
- To support 'special one-off' projects and capital works.
- To finance intergenerational assets.

Water activity groups are responsible for repaying their share of financing costs (internal and external). Reserves and external borrowings are used to fund capital and working capital requirements. The finance team manages Council's internal loan portfolio for water services.

Key operating parameters

Internal loans may be structured as:

- Interest-only.
- Reducing balance (non-table) loan.
- Table loans (equal payments across the term).
- Internal loans are established for all new capital works and any renewals not covered by depreciation. Loans are directly attributed to the relevant water services activity.
- Interest on internal loans is set at least quarterly using Council's weighted average cost of borrowing (inclusive of credit margins and fees). Monthly adjustments may apply for accuracy.
- Interest on reserve (investment) balances is set at the 90-day Bank Bill rate at minimum quarterly. Monthly rates may be applied if more accurate. Council may choose to apply lower or no interest for certain non-cash reserves (e.g: vested assets, revaluations).
- Interest is calculated on month-end balances.
- Operational cash flow surpluses or deficits for water services attract interest from the start of the financial year:
    - Deficit balances are charged interest at the weighted average borrowing cost.
    - Surplus balances earn interest at the 90-day Bank Bill rate.

For further detail, refer to the Funding and Financing Arrangements section of this Plan.

C1.5 Financial policies - overhead and cost allocation methodologies

Council applies a structured approach to allocating overhead and shared service costs to water services, ensuring transparency and consistency with cost recovery principles.

Direct Costs

Where costs can be directly attributed to water services, they are recovered through a Memorandum of Understanding (MoU) or based on usage.

Examples include:

- **Laboratory testing** by the Environmental Health team, which is charged under a MoU detailing services, pricing and testing frequency.
- **Vehicle and plant use** from Council's fleet, charged based on mileage or specific plant usage, using standard recovery rates.

Indirect costs

Costs not directly linked to water services (e.g: governance, finance, legal, HR, IT) are allocated across Council activities using established cost allocation methodologies.

These methodologies are based on appropriate cost drivers, such as:

- Employee numbers.
- Equipment usage.
- Accounts payable volumes.
- Service reports or contracts managed.
- Departmental turnover.

All cost allocations follow standard cost recovery principles, with appropriate cost drivers identified for the use of overhead resources and services. Resource allocation and activity-based costing will be recorded and reported through Council's key accountability documents.

Internal charges

Internal charges for water services during the Plan period are outlined in the funding impact statement, Table 19.

In 2026/27:

- Net internal charges are forecast at $2.5million, representing 2% of all Council payments to suppliers and staff.
- Water services' total payment to suppliers and staff is forecast at $13.5million, or 10.6% of total Council costs.

This allocation is proportionate to the scale of the water services delivery programme.
In the first year of the internal business unit (2027/28), internal charges are forecast at $2.6million, increasing mostly in line with inflation across the Plan period.

C1.6 Water services revenue requirements and sources

Revenue requirements under the Plan

From 2027/28 onwards, Council expects water services (wastewater, water and stormwater) to generate sufficient revenue to cover operational costs, including depreciation and debt servicing.

By 30 June 2028, the Plan is forecast to break even after accounting for all costs, with a surplus of $100,000. Surpluses are projected to increase thereafter, reaching $3 million by 2033/34. These projections include the phased recovery of unfunded depreciation incurred prior to 2027/28. The phased funding approach is particularly important for wastewater, where depreciation costs are highest.

To maintain affordability, rates increases and full depreciation funding have been staged, resulting in operating deficits between 2025 and 2027. This approach is consistent with the 2021–2031 Long Term Plan and reflects a significant Three Waters capital investment "hump" in 2022/23 and 2023/24.

A review of depreciation funding and pricing structures will begin in 2027/28. This includes the transition from a 10% general rate contribution to fully targeted rates based on capital value. The phased transition allows time to model impacts, adjust charges and manage affordability for households and communities.

Any review of funding and pricing structures will maintain the revenue sufficiency test.

This Plan will be superseded by the yet to be developed Water Services Strategy and the 2027–2037 Long Term Plan, which confirms long-term debt, financial settings and investment sustainability, while fine-tuning timing and customer impacts.

Sources of revenue

Water services revenue will be generated from the following sources:

Targeted Rates (capital value-based)

- Fixed charges per unit (e.g: per toilet (pan) or per separately used or inhabited part of a rating unit).
- Volumetric charges for most commercial and extraordinary domestic users, based on actual water use. This promotes efficiency and aligns charges with consumption. Council will review the application of volumetric pricing for ordinary residential users within five years from 2027/28.

Fines and infringements

Revenue from penalties, such as infringement fees under the DrainWise programme, for illegal stormwater discharges into the wastewater system.

Fees and charges

- New connection application fees for all three waters.
- Trade waste customers and septage income.
- Commercial and industrial water supply fees and charges relating to income from bulk filling stations.
- High water user agreements.

Subsidies and grants for capital expenditure

These are funds provided by government bodies or organisations to support water infrastructure projects.

Financial and development contribution

These are financial contributions required from developers to recover the cost of growth related capital expenditures from participants in the development process.

Loan funding

Required to fund capital expenditure.

Rates remissions

Rate credits will remain available in accordance with Council's Rates Remission Policy. These cover exceptional circumstances, financial hardship and excess water use due to leaks beyond a customer's control.

Planned revenue and sources of revenue over the plan, is forecast in the Projected funding impact statement, Table 19.

The total revenue required over the duration of the Plan to achieve financial sustainability is summarised below:

Operating funding:

- Targeted rates based on capital value - $11.6 million.
- Targeted rates - $298 million.
- Subsidies and grants for operating purposes - $2.3 million.
- Fees and charges - $9 million.

Capital funding

- Development and financial contributions - $9.4 million.
- Debt - $103 million.
- Other dedicated capital funding - $101 million.

C1.7 Charging and collection methodology

Council will continue to invoice rateable properties through its existing rating and payment system.

Council is exploring the introduction of residential water meters, with installation proposed between 2029 and 2032. This will support a mixed charging model combining fixed and volumetric components. Volumetric charging may begin from 2034, following resolution of property leak issues.

Under this proposed approach:

- A standard targeted rate would apply per household, covering a defined volume of water.
- Consumption beyond this volume would be billed separately, based on actual usage.

Commercial and extraordinary domestic users will continue to be charged based on volumetric use, consistent with current arrangements.

C1.8 Projected charges

Over the 10-year period of this Plan, average residential charges for three waters services is projected to rise from $1,410 in 2024/25 to $2,307 by 2033/34. Refer to Table 10a for the annual average residential charge breakdown by service- water, wastewater and stormwater. These figures reflect residential users only.

Non residential average rates are projected in table 10b. Consumption in this category is significantly higher, as it is based on a combination of volumetric charges and pan charges. As such commercial and industrial consumption can distort charge calculations when combined with residential data.

A current 10% public good component, collected through the general rate based on capital value, will be removed. This shift to fully targeted rates means approximately 9,500 unconnected rural properties will see a decrease in rates - typically from around $0 to $200.

C1.9 The affordability of projected waster services charges for communities

Affordability remains a critical consideration in planning water services for Gisborne district, given the region's lower-than-average household incomes and higher levels of socioeconomic deprivation. While average household incomes in the district have increased, the deprivation index remains unchanged at 7.3 -about 35% higher than the national median of 5.5. Several communities are recorded at a level of 9, which is 64% above the national median.

These conditions have informed Council's approach to phasing investment and setting charges. The existing Rates Remissions Policy will continue to apply to water services, offering relief where affordability issues are most acute. Any remissions granted will be reflected as reductions in water services revenue, either fully offset or proportionally adjusted against the rates charged.

Projected average residential water services charges are forecast to be at or below 1.5% of median household income throughout the life of this Plan. This compares with international affordability benchmarks, which typically range from 2% to 5% of household income. Further detail, including average charges and affordability ratios, is provided in Table 10.

C.2 Water services and financing arrangements

C2.1 Financing requirements and sources

Projected borrowing requirement over the 10-year period

The total borrowing requirement for the combined delivery of water, wastewater and stormwater services over the 10-year period of this Plan is projected at $152 million. The opening debt balance at 1 July 2025 is $58 million. These projections reflect planned investment in renewals, resilience upgrades and growth-related infrastructure. Refer to Table 14 for detailed figures.

Minimum cash and working capital requirements for sustainable delivery

Financial forecasts indicate that a minimum aggregated water services cash balance of $8.2 million is required to ensure the sustainable delivery of three waters services. This baseline supports operational liquidity and resilience. Forecasts show cash and financial assets increasing over time, reaching a projected peak of $10 million by 2033/34.

Council will continue to maintain adequate credit lines to meet its liquidity covenants, in addition to the net debt to revenue covenant, as required for prudent financial management.

Borrowing limits for water services and all Council business

Gisborne District Council currently operates within a debt-to-revenue limit of 175%. The Local Water Done Well framework, aligned with LGFA guidance, allows borrowing of up to 280% of revenue. To access this higher threshold, Council plans to complete the credit rating process by 2027/28.

Projected borrowings are within borrowing limits

Water services, when ring-fenced, are subject to a maximum indicative borrowing limit of 500% of revenue, consistent with DIA guidance. Projections confirm this threshold will not be exceeded in any year of the Plan.

- The combined net debt to revenue ratio for water services is forecast to increase from 257% in 2024/25 to 359% by 2033/34.
- For the Council as a whole, total net debt to revenue is expected to remain within the 280% borrowing limit, peaking at 174% in 2029/30.

These projections demonstrate that all planned borrowing for water services remains within both Council-wide and water-specific financial limits, supporting a financially sustainable approach to service delivery.

C2.2 Financial Strategy for financing water services investment and operating expenditure

The Financial Strategy underpinning this Plan ensures that water services investment and operational costs are sustainably funded through a combination of operating revenue and debt. The key principles guiding this strategy are as follows:

Operating revenue will cover all operational costs, including depreciation and interest. While depreciation is a non-cash expense, it acts as a proxy for the long-term cost of renewing infrastructure. The resulting operating cash surplus helps fund asset renewals and repay historical debt.

Capital expenditure will be funded through a combination of:

- Operating cash surpluses, primarily from funded depreciation.
- Capital revenue, such as development contributions.
- Debt, to cover any remaining shortfall.

From 2027/28, water services are forecast to generate an operating surplus, enabling full funding of depreciation and reducing reliance on debt for renewals.

Operating deficits forecast between 2024/25 and 2026/27 are primarily the result of:

- Transitional phasing of depreciation funding associated with Phase 2 of the Wastewater Treatment Plant upgrade.
- Timing mismatches from carryover capital projects, where revenue was collected in prior years, but expenditure is now scheduled.
- Escalating costs higher than the rates revenue.

While the Plan is based on an assumed level of expenditure and expected inflation, we have also modelled the potential impacts of expected costs (including interest) which are higher than what we had forecast.

Under the various scenarios, Council has a range of options to balance affordability for end users with the need to maintain investment sufficiency. These levers include:

- Phasing certain capital projects over a longer period, particularly growth or increased level-of-service projects, where this can be done without adversely affecting investment sufficiency.
- Extending the timeframe for repaying "deficit" depreciation (ie: deficits arising from prior to 2027/28), enabling more funds to be allocated towards increased interest costs.
- Increasing user fees, while ensuring total charges remain below 2% of median household income (with modelling indicating a potential impact of up to 1.8%).

This strategy supports the long-term financial sustainability of water services, aligns with sector good practice and ensures that both current and future users contribute fairly to the cost of services.

C2.3 Debt management and risk

Council's approach to debt management for water services is based on principles of financial prudence, intergenerational equity and long-term sustainability. The structure and duration of new borrowings will be determined through commercial funding arrangements with the Local Government Funding Agency (LGFA) and will generally align with the useful life of the infrastructure being funded. This ensures:

- The cost of infrastructure is shared over the period during which benefits are received.
- Future generations who use the assets also contribute to their funding.

It is assumed that Council will obtain a credit rating by 2027/28, enabling access to increased borrowing capacity of up to 280% of net debt to revenue, in line with DIA and LGFA guidance. Borrowing terms will reflect Council's credit status and market conditions at the time, with debt levels managed to support and maintain that rating.

Debt servicing costs will be attributed to water services proportionally:

- Where debt relates specifically to water, wastewater or stormwater assets it will be directly allocated.
- For historical or mixed-purpose debt, costs will be allocated based on the average weighted cost of borrowing across Council.

Most historical debt relates to three waters infrastructure and is therefore included within the water services financial ring-fence.

As at 30 June 2024, external borrowings totalled $177.8 million (up from $124.8 million in 2023), comprising debentures and floating rate notes maturing between 15 July 2024 and 8 May 2034.

Interest rate and refinancing risks are managed through Council's Treasury Policy, with ongoing oversight from external treasury experts. This ensures risk is controlled, compliance is maintained and debt remains affordable over time.

Liquidity risk

Council manages liquidity risk by maintaining sufficient financial capacity to meet operational and capital requirements as they fall due. This includes:

- Aligning revenue and expenditure timing with committed bank facilities used to manage short-term cash flow timing differences.
- Maintaining unutilised committed debt facilities and, where applicable, holding liquid and negotiable investments to ensure flexibility and responsiveness.
- Staggering debt maturities to avoid concentration of repayments, in accordance with Council's Treasury Policy.

Working capital requirements will be managed in accordance with Council's Treasury Policy. Liquidity (including external debt, committed debt facilities and cash or cash equivalents), will be maintained at a minimum of 110% over external debt.

Interest rate risk

Council adopts a corridor approach to interest rate risk management, with defined upper and lower bounds that ensure interest rate exposure remains within approved policy limits.

This approach is more flexible and fits better with an increasing debt profile over longer than 10-year horizon. It strategically aligns the interest rate interest management framework within the Plan and the associated debt path.

This policy framework supports affordability and certainty by smoothing the impact of interest rate fluctuations over time.

Refinancing risk

Refinancing risk is managed by distributing debt maturities across multiple maturity bands, in line with Treasury Policy. This ensures no single maturity date poses an undue refinancing burden.

Council sources debt from:

- Strongly rated New Zealand-registered banks, through a Debenture Trust Deed (allowing borrowing of up to $55 million).
- The Local Government Funding Agency (LGFA), of which Council is a shareholder.

This diversified approach reduces exposure to individual funding sources and provides resilience in changing financial markets.

C2.4 Internal borrowing and treasury management

Debt repayment strategy

Council's debt repayment strategy is guided by principles of efficiency, intergenerational equity and financial prudence. Where appropriate, debt raised to fund water services will be aligned with the useful life of the asset it supports. This is primarily managed through internal borrowing arrangements, which ensure funding and repayment terms match the lifespan of the infrastructure.

No assumptions have been made for early repayment of debt beyond standard maturity schedules, unless driven by specific operational or financial triggers.

Net borrowing approach

Council applies a net borrowing strategy, whereby it funds the balance sheet holistically offsetting available reserves against gross borrowings. This approach:

- Reduces overall debt exposure.
- Minimises interest costs.
- Enhances flexibility in managing liquidity and funding requirements.

Internal borrowing arrangements

Internal borrowings for water services will be ring-fenced and reported separately on the respective balance sheets for water, wastewater and stormwater. This supports transparency, accountability and compliance with requirements of the Local Water Done Well framework.

Debt will be allocated into tranches, aligned with the specific capital investment each tranche supports. As each tranche is repaid in line with agreed terms, Council will progressively raise new external borrowings directly from the Local Government Funding Agency (LGFA) or other approved lenders.

Water services will be managed under a centralised treasury function within Council. This model is preferred as it delivers the following benefits:

- Improved liquidity management, reducing the cost of borrowing and enhancing cash flow forecasting.
- Cost efficiency and risk reduction, achieved through consolidated borrowing and hedging strategies that improve negotiating leverage and reduce exposure to interest rate and currency fluctuations.
- Streamlined operations, with fewer transactions and reduced administrative burden through centralised treasury processes.

Internal borrowing arrangements are governed by Council's Treasury Policy and supported by clear procedures for interest charging, repayment schedules and financial reporting.

For further detail, refer to the Revenue and Financing Arrangements section, under Internal Borrowings Arrangements, which outlines how ring-fencing will be applied in practice.

Determination of debt attributed to water services

Debt is attributed to water services based on internal borrowings and reserve balances, for each of the water services as at 30 June 2024. The debt balance is also based on cash-backed transactions such as rates, development contributions and depreciation reserves.

Debt will be managed under the existing internal borrowings framework.

C2.5 Insurance and risk mitigation

Insurance arrangements

Council maintains comprehensive insurance arrangements to manage financial risk associated with its infrastructure assets, including those for water, wastewater and stormwater services.

Water services assets are currently insured through participation in a collective insurance group, which enables cost efficiencies and access to broader market coverage. These arrangements are reviewed regularly to ensure alignment with asset values and risk exposure.

Council's overarching approach to insurance is guided by its Insurance Strategy, adopted in 2021/22 and scheduled for review in 2026. The strategy outlines key areas of focus and action, including:

- Regular asset revaluation to ensure insurance values remain current.
- Ongoing assessment of earthquake maximum probable loss (MPL) for critical infrastructure.
- Differentiated approaches to asset coverage through the Property Development Process, particularly for low-risk, low-value assets.
- Strategic review of risk retention levels and Council's residual financial exposure.
- Integration with the Council's Enterprise Risk Management (ERM) framework.

These arrangements ensure that water services are supported by a resilient risk management approach and that Council can respond effectively to asset losses or damage arising from major events.

Annual insurance risk assessments

Council undertakes annual insurance renewals for the policy period 1 November to 31 October. To ensure asset values remain current, external valuations are completed on a three-year cycle, aligning insurance values with financial valuations. These assessments include:

- Reinstatement cost – cost to restore assets to 'as new' condition.
- Depreciated replacement cost – indemnity value of assets.

- Demolition and debris removal costs.
- Optimised replacement cost (ORC).
- Escalation costs – adjustments for inflation over the reinstatement period.

Projected capital works expected to be completed within the policy period are proactively added to the asset schedule. New material assets are incorporated into the policy once commissioned.

Risk evaluation and assessment

As part of the Insurance Strategy, a review of high-level probable maximum loss (PML) was undertaken in late 2022 for below-ground infrastructure. The study, which updated earlier modelling, estimated a median 1-in-500-year PML at $293million, with an insured loss limit of $350million for these assets.

A new PML review is currently underway to incorporate Hikurangi Subduction Zone modelling, released after the 2022 assessment. This will ensure updated seismic risk data informs Council's future insurance coverage and risk planning.

Disaster policy and insurance loss mitigation

Council secures insurance through Bay of Plenty Local Authority Shared Services (BOPLASS), a consortium of nine councils. Cover includes both group-wide and individual council limits, based on the latest insured valuations.

- Above-ground assets (e.g: treatment plants, pump stations) are insured for full replacement value against a broad range of perils, subject to group policy limits.
- Below-ground assets are insured for up to 40% of replacement value for natural disaster events, with the remaining 60% expected to be co-funded by central government through the Civil Defence Emergency Management (CDEM) cost-sharing policy.

Council also maintains business interruption insurance for underground infrastructure where losses arise from natural catastrophes.

Governance and oversight

Insurance responsibilities fall under the Chief Executive's delegations, with operational oversight by the Chief Financial Officer and legal team. Strategy, coverage and associated risks are regularly reported to the Audit and Risk Committee to ensure transparency and accountability.

KAUWHITI D: Arotakenga tahua toitū
PART D: Financial sustainability assessment

D.1 Confirmation of financially sustainable water services

The purpose of this section is to demonstrate that the Plan achieves financially sustainable delivery of water services by 30 June 2028, by confirming it has:

Revenue sufficiency: sufficient revenue to cover the costs (including the servicing of debt) of water services delivery.

Investment sufficiency: projected investment is sufficient to meet levels of service, regulatory requirements and provide for growth.

Financing sufficiency: funding and financing arrangements are sufficient to meet investment requirements.

All financial information is based upon individual baseline planning documents and will in time, be superseded by the Water Services Strategy and subsequent Long Term Plans.

D.2 Financial sustainability assessment - revenue sufficiency

D2.1 Sufficiency of projected water services revenue

Council is forecast to generate sufficient water services revenues to cover operating expenses (including depreciation and interest) by 2027/28. As shown in the chart to the right on page 53, water services revenue is expected to increase across the period of the Plan from $22.6million to $42.5million in 2023/34.

Net operating surpluses (including capital revenues) are projected from 2027/28 onwards, ranging from $500,000 to $5.2 million in 2033/34. When excluding capital revenue, net operating surplus ranges from $100,000 in 2027/28 to $3 million in 2033/34.

Operating deficits are forecast for the first three years of the Plan (2024/25 to 2026/27). 2033/34.

These deficits mostly relate to the phasing of funding depreciation arising the Wastewater Treatment Plant (Phase 2), costs increasing at a faster rate than was able to be recovered from users and carryover of projects (that had been previously rated for).

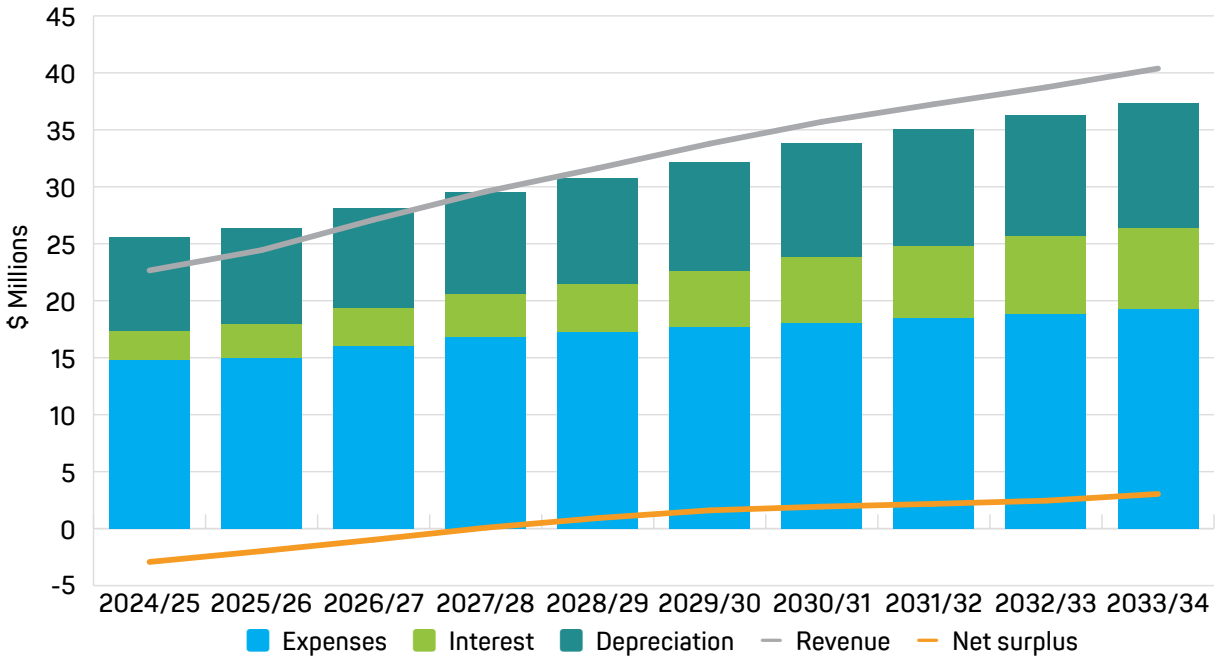
D2.2 Projected operating cash surpluses for water services

Operating cash surplus (defined as the operating surplus plus interest costs, minus non-cash revenues) is a key indicator of whether water services are generating enough cash to meet interest obligations, fund capital investment and repay debt.

The projected water services revenue and expenses chart (below) shows, water services revenue is expected to increase across the period of the plan, from $22.6million to $40.4million. This is sufficient to cover the costs (including servicing debt and repaying deficits 2024/25 to 2026/27),

with minor surplus arising from development contributions. Development contributions will go toward growth capital expenditure, reducing Councils debt requirements.

Projected water services revenue and expenses



D2.3 Projected charges and affordability

Average charge

The average charge per residential connection over the 10-year period of the Plan is projected to increase from $1,410 in 2024/25 to $2,307 by 2033/34. This represents an average annual increase of approximately 6.4% across the duration of the Plan.

Water services charges as a proportion of median household income are forecast to rise from 1.1% to 1.5% by 2033/34. The Department of Internal Affairs (DIA) has provided a national indicative affordability benchmark of 3.5% of median household income. International water affordability metrics typically range from 2% to 5% of household income.

For further detail, refer to Table 10 - Average projected charges for water services 2024/25 to 2033/34.

Note: These figures reflect residential users only. Non-residential consumption is significantly higher and can distort average charge calculations when combined with residential data.

D2.4 Projected operating surpluses and deficits

The operating surplus ratio (excluding capital revenues) is an indicator of whether revenue is sufficient to cover operating expenses. Under current forecasting assumptions, the Water Services Unit is expected to reach breakeven in 2027/28, increasing to an operating surplus of approximately $3million by 2033/34. These surpluses enable recovery of earlier deficits incurred in 2025–2027. This demonstrates that projected revenue is sufficient to meet operating expenses, including depreciation and finance costs. Refer to Table 11 for detailed figures.

The operating cash ratio is an indicator of whether sufficient cash surpluses are generated from operations to pay interest, fund capital investment and repay debt. Based on current forecasts, the Water Services Unit is expected to maintain a positive operating cash ratio throughout the Plan period, increasing from 35% in 2024/25 to 52% by 2033/34. Refer to Table 12 – projected operating surpluses/deficits for further detail.

D2.5 Risks and constraints

The key risks to this plan are:

- Financing arrangements are more costly than what was forecast.
- Further changes in government policy significantly affect water services Planning and delivery, slowing implementation and delivery.
- Economic, pandemic or other global/national influences significantly affect growth resulting in under/over investment in infrastructure.
- National water quality standards, community and Tangata Whenua aspirations do not align resulting in loss of local voice and dissatisfaction with oversight.
- Climate change and natural hazard events overwhelms the ability of ratepayers (and government) to fund repair.
- Economic and quality regulation and reporting require significant resourcing resulting in higher water services charges.
- Infrastructure insurance becomes unaffordable or no longer available.
- Contractors and staff unable to effectively scale up to address work programmes and renewal backlogs.

Further risks are outlined in Table 27.

D.3 Financial sustainability assessment - investment sufficiency

D3.1 Sufficiency of projected water services investment

The proposed level of capital investment is sufficient to meet projected growth, regulatory requirements and desired levels of service.

Over the life of the Plan, Council will invest approximately $214million in water services infrastructure to:

- Support population and housing growth.
- Comply with national regulatory standards.
- Renew ageing infrastructure.
- Improve resilience and service reliability.

This investment is allocated across the three key categories of capital expenditure, as outlined in the following section.

Council's investment approach balances the need for system improvements with financial constraints. This ensures essential maintenance and resilience activities can be delivered within current funding limits, while enabling new infrastructure projects to proceed as funding becomes available.

Council will continue to invest to maintain compliance with the Water Services Act 2021 and other relevant legislation. Robust and comprehensive planning processes remain in place to guide investment decisions across the duration of the Plan.

Growth (to meet additional demand) Capital expenditure to meet growth-related demand has been projected to align with anticipated development across the district. As the city grows, new investment will be prioritised to meet infrastructure requirements in a timely and cost-effective manner.

Investment in level of service improvements includes upgrading existing systems and increasing infrastructure resilience. This supports compliance with regulatory requirements, including resource consents and the updated drinking water standards.

Renewals capital expenditure to replace existing assets has been forecast to ensure service reliability and continuity. Renewal planning aligns with Council's asset replacement methodologies, considering asset age, condition, service performance, criticality, lifecycle cost efficiency and future growth.

Refer to Part B of the Plan for detailed analysis of projected water services investment, and to Table 23 for a summary of the significant and material capital projects included in this Plan.

D3.2 Confirmation of investment funding sources

The level of investment proposed in this Plan is fully funded through a combination of projected revenues and access to financing. The adequacy of funding is addressed in:

Section D2 Financial sustainability assessment: revenue sufficiency.

Section D4 Financial sustainability assessment: financing sufficiency.

These sections demonstrate that Council has the financial capacity to support the planned investment in water services infrastructure over the life of the Plan.

D3.3 Investment sufficiency test

The level of investment is assessed as meeting the investment sufficiency test if:

- Appropriate systems, processes and capability are in place to identify and quantify infrastructure investment needs.
- The combination of projected revenues and access to financing within Council's borrowing limits demonstrates planned investment is adequately funded.

This Plan sets out and evidences both components of the investment sufficiency test are met. Supporting detail is provided in Part B (Network Performance and Asset Management) and Part D (Financial sustainability assessment) of the Plan.

D.4 Renewals requirements for water services

The Plan involves maintaining water infrastructure by replacing and renewing pipes across the network, with priority on assets at the end of their useful life, the condition and criticality of the assets concerned.

D4.1 Major renewals

Wastewater

- Wastewater pipeline renewals: renewal of pipes at the end of their useful life or are in poor condition.
- Wastewater pump station renewals.
- Wastewater Treatment Plant: including upgrades and renewals of plant equipment at the end of its useful life.
- Wastewater ancillary equipment renewals.

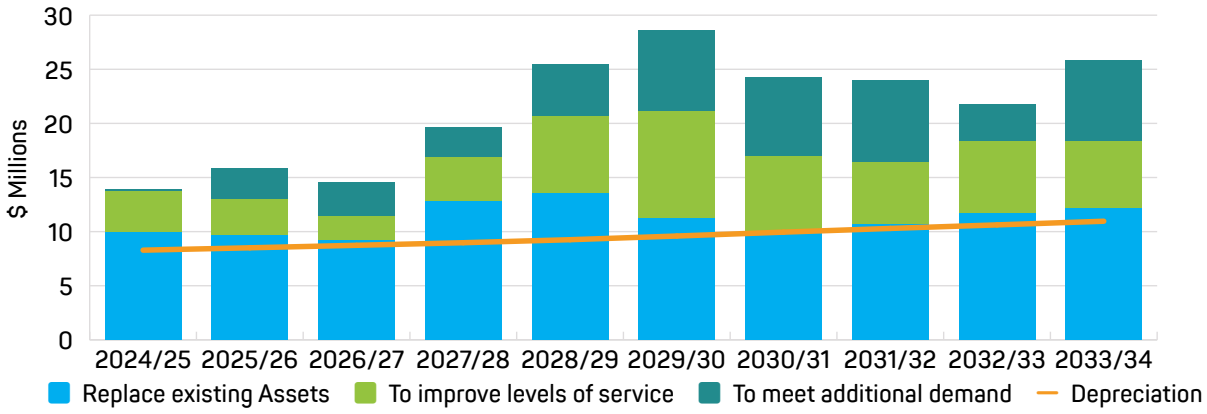
Water supply

- Water supply pipe renewals: renewal of pipelines beyond their useful life, at risk or in very poor condition.
- Whatatutu reticulation: renewal of residential backflow manifolds.
- Waingake Water Treatment Plant: renewals of plant equipment at the end of its useful life.
- Waipaoa Water Treatment Plant: renewals of plant equipment at the end of its useful life.

Stormater

- Drain structures: renewal of non-pipe structures at the end their useful life or are in poor condition.
- Pipelines: renewals of pipes at end of useful life or in a poor condition.
- DrainWise Programme: a targeted programme including a mix of renewal and upgrade works focused on reducing inflow and infiltration of stormwater into the wastewater network.

Projected water services investment requirements



D4.2 Asset Sustainability Ratio

The Asset Sustainability Ratio calculates whether the projected renewal investment is more or less than projected deprecation. It is an indicator as to whether the renewals programme is replacing the network assets in line with the rate of deterioration.

This Plan forecasts an Asset Sustainability Ratio ranging from 100% to 147% over the course of the Plan. In all years the ratio is at least 100%. This equates to an average of 117%, therefore demonstrating investment sufficiency.

The renewals profile is based on when long-life assets are expected to be replaced. This means there may be some peak renewal periods where they will be more than 100%, and at other times below. Offsetting some of the lower asset ratios will be the growth and increased level of service capital programme. By the very nature of these programmes, some elements will include renewals or replacements when work is completed.

Refer to Network Performance Table 13 for the Asset Sustainability Ratio forecast over the Plan period.

D.5 Total water services investment required

Council is planning to invest $214 million over the next 10-years to maintain and enhance the resilience, reliability and performance of the district's water services infrastructure. This planned investment builds on the commitments set out in the 2021–2031 Long Term Plan and the 2024–2027 Three-Year Plan.

The level of investment required has been informed by updated Asset Management Plans developed in mid-2024 for each of the three waters networks: water supply, wastewater and stormwater. The investment plan also reflects forecast growth (as outlined in Part B of this Plan) and includes provision for improvements to meet future levels of service.

To ensure affordability and deliverability, the programme of work has been scaled and phased where appropriate, while still addressing key resilience, regulatory and service delivery outcomes.

Asset Investment Ratio

To support national benchmarking and demonstrate improvement in asset condition, councils have been requested to calculate the Asset Investment Ratio, which compares total planned capital investment with projected depreciation over the same period:

- A ratio above 100% indicates investment exceeds asset consumption and supports asset improvement.
- A ratio below 100% would suggest investment is insufficient to maintain the network over time.

This Plan achieves an Asset Investment Ratio of 219% by 30 June 2028, with values ranging from 168% to 298% over the duration of the Plan; demonstrating that planned investment is more than adequate to sustain and improve the condition of Council's water infrastructure.

Further detail is provided in Table 14.

D.6 Average remaining useful life of network assets

To demonstrate asset consumption, the Asset Consumption Ratio is used as a proxy for the rate at which network assets are being used up. This ratio reflects the average remaining useful life of the asset base. A material decline in the ratio over time would indicate assets are deteriorating faster than they are being renewed, increasing the financial burden on future customers to fund replacements.

Over the 10-year period of this Plan, modelling shows a decrease of 0.01 in the Asset Consumption Ratio. This change is not considered material and indicates that depreciation is being recognised in line with the rate of asset consumption. It also reflects that the financial burden of asset replacement is stable and consistently spread across customers over the life of the Plan.

Modelling of depreciation rates is based on average depreciation rates at an activity level and is applied evenly across the asset base. Depreciation is calculated by reference to the asset base's estimated gross replacement cost at the end of the relevant financial year and includes any capital expenditure incurred during the relevant year. This approach assumes that the general composition of the asset base (particularly the proportion of pipe versus point assets) remains broadly consistent over the modelling period.

The gross replacement cost of assets has been determined by applying an annual 2% revaluation and includes the full value of assets that have been constructed for the primary purpose of improving levels of service or meeting increased demand. Renewals are assumed to be on a like for like basis, and to occur only when fully depreciated. Renewals of assets therefore impact the net book value of the asset base but do not increase the gross replacement cost of the asset base.

Further detail on the Asset Consumption Ratio is provided in Table 15.

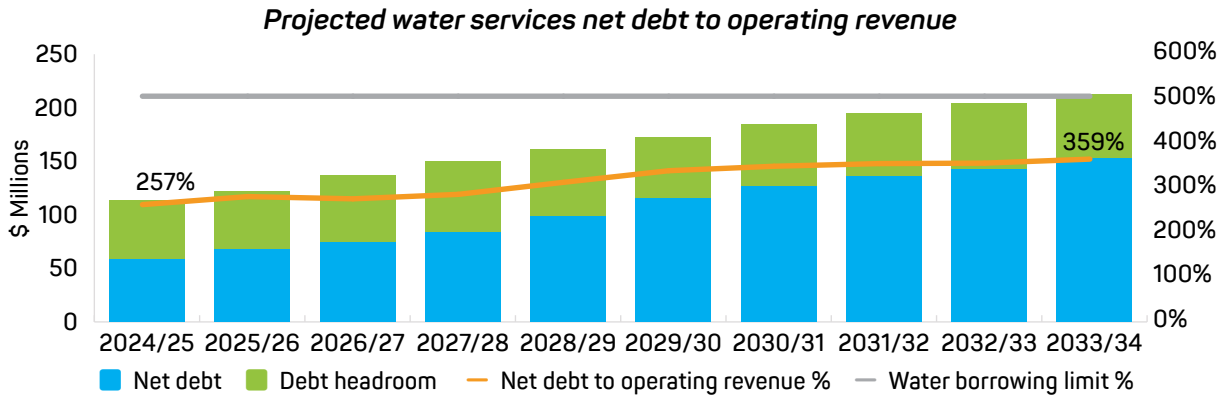
D.7 Financial sustainability assessment - financing sufficiency

D7.1 Projected water services borrowings against borrowing limits

The following charts summarise the expected funding and financing activities for Water Services over the period to 2033/34.

Council's current overall borrowing limit is 175% of net debt to revenue. This is expected to increase to 280% upon obtaining a credit rating. For the purposes of this Plan, a higher borrowing threshold of 500% has been assumed specifically for water services, in line with sector guidance and to reflect the ring-fenced nature of water-related debt.

The chart titled 'Projected water services net debt to operating revenue' shows that by 2033/34, Water services debt is forecast to reach $153 million, equating to 359% of net debt to operating revenue. This remains within the assumed 500% borrowing limit and indicates that the planned investment programme is financially sustainable under the projected revenue and financing assumptions.

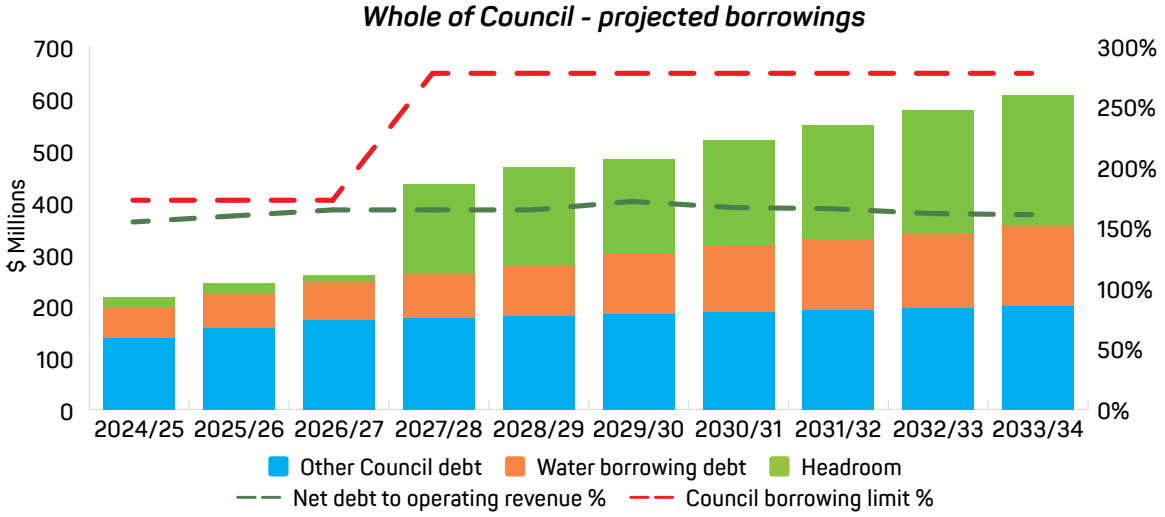


D7.2 Whole of Council borrowings and headroom

All Council debt is shown in the chart titled 'Whole of Council - projected borrowings'. Total borrowings are projected to reach $353 million by 2033/34, which equates to 163% of net debt to operating revenue.

It should be noted that the revenue required to service water-related debt will be sourced solely from water services revenues. There will be no cross-subsidisation of water services debt from other Council revenue streams.

Further details on borrowings, borrowing limits and available borrowing headroom are provided in Table 17.



D7.3 Sourcing of funds

As noted in Part C, Council currently operates under a debt-to-revenue limit of 175% when borrowing from the Local Government Funding Agency (LGFA). Council will begin the process of obtaining a credit rating, which- once secured - will increase the allowable borrowing threshold to 280% of operating revenue.

This Plan has been prepared on the assumption that a credit rating will be secured, and accordingly, a debt-to-revenue limit of 280% has been applied for financial modelling purposes.

The 'Whole of Council - projected borrowings' chart (left) shows Council's total debt over the life of the Plan, highlighting the proportion attributable to water services compared with other activities. Council's peak net debt-to-revenue ratio is forecast at 174% in 2029/30, remaining within both current and anticipated credit-rated borrowing limits. For this Plan, we assume a credit rating will be in place from 1 July 2027; however, Council will remain within its current 175% borrowing threshold until 1 July 2029, providing additional time to complete the credit rating process.

D7.4 Free Funds from Operations Ratio

The Free Funds from Operations (FFO) Ratio measures the percentage of debt that is covered by free cash flow generated each year. It is a key leverage indicator used by financiers to assess an organisation's ability to service its debt from operating activities.

Over the life of the Plan, the FFO Ratio is projected to range between 9% and 11%, stabilising at 10% from 2028/29. This trend reflects increased revenue in line with the growing asset base and indicates improving financial capacity to meet debt obligations.

While not part of the formal benchmarks under the Local Government (Financial Reporting and Prudence) Regulations 2014, the FFO Ratio provides an additional indicator of financial sustainability. Under the Regulations, Council meets the debt servicing benchmark when borrowing costs are equal to or less than 10% of total revenue. For the duration of this Plan, all of Council's borrowing costs are forecast to remain below 8.4%, indicating prudent financial management.

Further information on the Free Funds from Operations Ratio is provided in Table 18.

KAUWHITI E: Ngā tēpu tautoko
PART E: Supporting tables

E.1 Network performance tables

Table 1: Projected service population

Projected serviced population	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Serviced population	36,232	36,532	36,796	37,063	37,293	37,524	37,756	37,951	38,148	38,306
Total residential connections	12,566	12,656	12,746	12,836	12,936	13,036	13,136	13,236	13,336	13,406
Total non-residential connections	1,432	1,438	1,443	1,448	1,453	1,457	1,462	1,466	1,469	1,472

Table 2: Serviced areas (by reticulated network)

Serviced areas (by reticulated network)	Total properties	Water supply # connections	Wastewater #connections	Stormwater # connections
Residential areas (If more than one, identify separately)	Gisborne – 12,781 Te Karaka – 539 Whatatutu – 215	Gisborne – 15,518 Te Karaka – 167 Whatatutu – 44	Gisborne – 12,145 Te Karaka – 163	Gisborne – 13,210 Rural Towns – 1,687
Non-residential areas (If more than one, identify separately)	n/a	Gisborne – 1,798 Te Karaka – 15 Whatatutu – 1	Gisborne – 1,555 Te Karaka – 14	Gisborne – 914 Rural Towns – 183
Mixed-use rural drinking water schemes (where these schemes are not part of the council's water services network)	n/a	Gisborne – 1,798 Te Karaka – 15 Whatatutu – 1	Gisborne – 1,555 Te Karaka – 14	Gisborne – 914 Rural Towns – 183
Areas that do not receive water services (If more than one, identify separately)	Rural Towns – 8,183 Other Rural – 2,406	Rural Towns – 7,740 Other Rural – 2,241	Rural Towns – 8,398 Other Rural – 2,406	Rural Towns – 6,313 Other Rural – 2,405
Proposed growth areas • Planned (as identified in district Plan) • Infrastructure enabled (as identified and funded in LTP)	**Intensification Areas** (4,050 homes) • City Centre and surrounds (1,200 homes) • Elgin (660 homes) • Te Hapara and Barry Park (870 homes) • Lytton West (50 homes) • Whataupoko and Mangapapa (670 homes), Kaiti (600 homes) **Greenfield Development** (780 homes) • Cameron Rd East Expansion Area • Cameron Rd West Future Urban Zone • Hansen Rd North Future Urban Zone • Back Ormond Rd South Future Urban Zone • Taruheru Undeveloped Residential Area • Hospital Blk Undeveloped Residential Area **Rural Residential/Lifestyle** (570 homes) • Back Ormond Rd North Intensified Rural Lifestyle Area	**Intensification capital projects** • Local Urban Upgrades, all growth areas (funded). • Knob Hill Booster Pumpstation, Kaiti growth area (unfunded) • Demand Management Initiatives, all growth areas (unfunded) • City Alternative water supply study, all growth areas (unfunded) • Water Network Pressure Zoning, all growth areas (unfunded) • Waingake Treatment Plant sixth filter, all growth areas (unfunded) **Greenfield capital projects** • Taruheru Bulk Water Extension, Taruheru area (funded)	**Intensification capital projects** • Local Urban Upgrades, all growth areas (funded). • Network Capacity Upgrades, all growth areas (unfunded) • Grey St Pumpstation, City Centre growth area (part funded) • Stafford St Pumpstation, Whataupoko growth area (unfunded) • Kaiti Area Pumpstation, Kaiti growth area (part funded) • Customhouse St Pumpstation, City Centre growth area (unfunded) • Wastewater Sensor Network (funded) **Greenfield capital projects** • Campion Rd Pumpstation and Rising Main, all greenfield areas (funded)	**Intensification capital projects** • Local Urban Upgrades, all growth areas (funded) • Kaiti Bulk Main - Crawford, Kaiti catchment (unfunded) • Hinaki/Waimata, Kaiti catchment (unfunded) • Outer Kaiti Bulk Mains stage 2, Kaiti catchment (unfunded) • Draft Anzac/Kahutia, South catchment (unfunded) • Awapuni Blk Industrial, South catchment (unfunded) • Blackpool Reserve Flood Storage, South catchment (unfunded) • City Centre Derby St, South catchment (unfunded) • Kaiti Bulk Main – De Lautour, Kaiti catchment (unfunded) **Greenfield capital projects** • Taruheru/Waru/Haisman catchment (part funded)

Note: *The tag "unfunded" means the project has not been formally included in an approved Long Term Plan (LTP), as the current 2024–27 Renewal Plan only provides for a three-year planning horizon. The assumption in this Water Services Delivery Plan is that capital projects not already approved (years 4 to 10) will be formally considered and approved through the Water Services Strategy and the 2027–37 Long-Term Plan process.*

Table 3: Water services network asset condition assessment

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	Water Mains 49.0 yrs Water Laterals 76.8 yrs	Wastewater Mains 49.7 yrs Wastewater Laterals 61.7 yrs	Stormwater Mains 42.0 yrs
Critical Assets	• Mangapoike water storage lakes • Waingake WTP • Waipaoa WTP • Any main greater than or equal to 500mm diameter • Any main greater than or equal to 300mm diameter, under or within 2m of a residential or commercial zoned building	• Gisborne City WWTP • Te Karaka community oxidation pond • Any main, greater than or equal to 450mm diameter • Any main, greater than or equal 300mm diameter, under or within 2m of a residential or commercial zone building • Any pressure main	• Any main greater than or equal to 625mm diameter • Any main greater than or equal to 300mm diameter, under or within 2 m of a residential or commercial zoned building
Above ground assets			
Treatment Plants	• Waingake (full treatment) • Waipaoa (augmentation/ emergency) • Whatatutu (small community Plant) • Te Karaka (small community Plant)	• Gisborne City WWTP • Te Karaka community oxidation pond	Nil
Percentage or number of above ground assets with a condition rating	100% (visual inspection but mainly age based inferred condition rating)	100% (visual inspection but mainly age based inferred condition rating)	100% (mainly age based inferred condition rating)
Percentage of above – ground assets in poor or very poor condition	38.7% of water facilities and Plant/ equipment	31.8% of wastewater facilities and Plant/equipment	N/A. Stormwater assets are all passive – no pumping
Below ground assets			
Total Km of reticulation	• 304 Km (Mains) • 141 Km (Service Lines to property boundary) • 445 Km Total	• 235 Km (Mains) • 95 km (Service Lines to property boundary) • 330 km Total	176 Km (Mains only, Service Lines are private assets)
Percentage of network with condition grading	• <1 % - direct condition rating through sampling. • 99% using age and maintenance based inferred condition rating	• 39% mains direct CCTV condition rating (mainly older higher criticality mains) • 61% inferred condition rating based on CCTV or age	• <1 % - direct condition rating through CCTV inspection. • 99% using age and maintenance based inferred condition rating)
Percentage of network in poor or very poor condition	23.0% (service lines valued and renewed with main and assumed to be same age and material)	11.0% (service lines valued and renewed with main and assumed to be same age and material)	8.8% Mains

Table 4: Regulatory compliance – resource consents

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater schemes
Resource Management			
Significant consents (note if consent is expired and operating on S124)	**SIGNIFICANT CONSENTS** **Water supply take – 4 consents** • WS-2021-110327-00 (Waipaoa River Take) – exp 30/07/2034 • WG-2019-108877-00 (Te Karaka Take) – exp 30/06/2029 • WG-2019-108878-00 (Whatatutu Water Take A Block) – exp 30/06/2029 • WG-2019-109634-00 (Whatatutu Water Take B Block) – exp 30/06/2029 **Water discharge – 5 consents** • DW-2019-108834-00 (Waingake WTP Supernatant Discharge) – exp 2034 • DL-2024-2024-11-2338-00 (Waingake WTP Sludge Discharge) – exp 2044 • DW-2024-11239-00 (Waipaoa Treatment Plant Discharge) – exp 11/10/2034 • DW-2014-106232-00 (Te Karaka Treatment Plant Discharge) – exp 31/03/2029 • DL-2016-107219-00 (Whatatutu Treatment Plant Discharge) – 30/09/2031	**Wastewater Discharge [water/land/air]** **GISBORNE** • CD-2015-1202-1210-02 (Wastewater Outfall Discharge) – exp 2042 • DA-2020-103680-01 (WWTP Discharge to Air) – exp 2042 **TE KARAKA** • DA-2001-1326-00 (Te Karaka • Oxidation Pond Discharge to Air)* • DW-2001-1760-00 (Te Karaka • Oxidation Pond Discharge to Water)* • DL-2001-1493-00 (Te Karaka • Oxidation Pond Discharge to Land)* *Resource consent expires 2037. **Wastewater Network GISBORNE** • DW-2020-109732-00 (Dry Weather Overflows) – exp 21/10/2031 • WD-2020-109733-00 (Wet Weather Overflows) – exp 21/10/2036	**Stormwater discharge [number]** We are not aware currently of any Stormwater discharge or network consents.
Expire in the next 10 years	9 Consents All of the above.	DW-2020-109732-00 (Dry Weather Overflows) – exp 21/10/2031	NON-COMPLIANCE RISK: None
Non-compliance: • Significant risk non-compliance • Moderate risk non-compliance • Low risk non-compliance	**NON-COMPLIANCE RISK:** • Significant – none • Moderate – Waingake Discharge • Low – Te Karaka Discharge	**NON-COMPLIANCE RISK:** • Significant – WWTP Discharge – have not built upgrade in time so are non-compliant, reported to compliance since 2020 • Moderate – Dry Weather Overflows • Low – Te Karaka Oxidation Pond	**NON-COMPLIANCE RISK:** • None
Active resource consent applications	None currently, but we are planning for the Te Arai Water Take Consent which needs to be in place in 2026	None	No active consent applications, but we are in the process of applying for a SW Network Discharge Consent
Compliance actions (last 24 months): • Warning • Abatement notice • Infringement notice • Enforcement order • Convictions	**Warnings** – 0 **Abatement Notices** – 0 **Infringement Notices** – 0 **Enforcement Orders** – 0 **Convictions** - 0	**Warnings –** **Abatement Notices** – 1 (in 2023-24) (27 July 2023 has been removed) **Infringement Notices** – 3 (2 in 2023-24, one in 2024-25) **Enforcement Orders** – 0 **Convictions** – 0	**Warnings** – 0 **Abatement Notices** – 0 **Infringement Notices** – 0 **Enforcement Orders** – 0 **Convictions** - 0

Table 5: Regulatory compliance and customer satisfaction – water supply

Measure Type	KPI Description	Results 2021/22	Results 2022/23	Results 2023/24	Target Yrs 1-3	Target Yrs 4-10	Comment
We provide water supply infrastructure that meets the needs of our community now and into the future by delivering safe, clean water in a sustainable manner.							
Safety of Drinking Water	The extent to which the drinking water supply complies with the drinking water quality assurance rules for bacterial and protozoan control:						Compliance requirements changed in 2022 from the Health Act and NZ Drinking Water Standards to the Water Services Act 2021 and Water Quality Assurance Rules. 2022/23 compliance covers two compliance systems. 2023/24 reports against the new compliance rules.
	Bacteria compliance						
	Gisborne City (treatment Plants and distribution zone)	100%	100%	Met	100%	100%	
	Gisborne Rural (distribution zone)	100%	100%	Met	100%	100%	
	Te Karaka (treatment Plant and distribution zone)	100%	100%	Met	100%	100%	
	Whatatutu (treatment Plant and distribution zone)	100%	100%	Met	100%	100%	
	Protozoal compliance						
	Gisborne City (treatment plants)	100%	100%	Met	100%	100%	
	Te Karaka (treatment plant)	Not met*	100%	Met	100%	100%	Increase in modelled water loss attributed to cyclone recovery period when metered water reduced and loss of data from damaged meters.
	Whatatutu (treatment plant)	100%	100%	Met	100%	100%	
Maintenance of the Reticulation Network	The percentage of real water loss from Council's networked reticulation system.	14.50%	14.70%	19.40%	<15%	<15%	
Fault Response Times	Median response time for callouts for faults:						
	Urgent: on-site attendance	0.57 hrs	0.58 hrs	0.27 hrs	< 2 hrs	< 2 hrs	
	Urgent callouts: resolution	1.82 hrs	2.33 hrs	0.95 hrs	< 8 hrs	< 8 hrs	
	Non-urgent callouts: on-site attendance	3.94 hrs	4.01 hrs	1.96 hrs	< 4 hrs	< 4 hrs	
	Non-urgent callouts: resolution	19.12 hrs	20.49 hrs	14.91 hrs	< 48 hrs	< 48 hrs	
Customer Satisfaction	Customer satisfaction - The total number of complaints received about any of the following: • drinking water clarity • drinking water taste • drinking water odour • drinking water pressure or flow • continuity of supply • Council's response to any of these issues (expressed per 1000 connections to the local authority's networked reticulation system)	4.34	11.97	5.74	< 10	< 10	February – June 2023 under the Cyclone Gabrielle Emergency Response and recovery period complaints relating to damages affecting continuity of supply and discolouration from the Waipaoa source water were common.
Customer Satisfaction	The percentage of residents satisfied with the water supply system as found in the Resident Satisfaction Survey.	87%	60%	65%	>=75%	>=75%	Survey responses indicate that community members are concerned about the fragility of the water supply network and the risks posed by erosion and debris. These concerns have resulted in results similar to last year and significantly lower than those seen before Cyclone Gabrielle.
Demand Management	Drinking water consumption per resident per day. Calculated on Gisborne population of 35,500.	204 L	182 L	176 L	<308 L	<308 L	

* Not met because a treatment process was not fully operational for the 12-month period.

Table 6: Regulatory compliance and customer satisfaction – wastewater

Measure Type	KPI Description	Results 2019/20	Results 2020/21	Results 2021/22	Results 2022/23	Target Yrs 1-3	Target Yrs 4-10
System and Adequacy	Dry weather sewage overflows (per 1000 connections)	0.07	0	0.83	0	1	0.6
Management of Environmental Impacts	Compliance with resource consents for wastewater discharges measured by the number of abatement notices, infringement notices, enforcement orders and convictions	0	0	0	0	0	0
Response to Wastewater Faults	Response – attendance at overflows from blockage or fault:						
	a) median attendance time: on-site	0.43 hrs	0.55	3.13	3.43	≤1 hrs	≤1 hrs
	b) median resolution time	2.17 hrs	2.41	15.46	24.29	≤24 hrs	≤24 hrs
Customer Satisfaction	Complaints received about odour, system faults blockages and Councils response. (per 1000 water connections)	6.92	14.6	21.48	33.94	<15	<15
	Percentage of residents satisfied with wastewater system as found in Resident's Satisfaction Survey	57%	47%	43%	41%	50%	60%

Table 7: Regulatory compliance and customer satisfaction – stormwater

Measure Type	KPI Description	Results 2021/22	Results 2022/23	Results 2023/24	Target Yrs 1-3	Target Yrs 4-10	Comment
System and Adequacy	a) number of flooding events in district	0	89	1	≤2	≤2	Major weather events of 2023 resulted in widespread flooding events
	b) for each flooding event, no of habitable floors affected (per 1000 connections)	0	6.12	0.07	<0.2	<0.2	
Management of Environmental Impacts	Compliance with resource consents for discharge from stormwater system, measured by:						
	a) Abatement notices	0	0	0	0	0	Targets met.
	b) Infringement notices	0	0	0	0	0	
	c) Enforcement orders	0	0	0	0	0	
	d) Successful prosecutions	0	0	0	0	0	
Response to Stormwater System Issues	Complaints (per 1000 water connections) received about system performance	12.75	19.2	15.22	<15	<15	Major weather events of 2023 had considerable effects on the stormwater reticulation system. A drop in satisfaction was seen in quarters three and four following Cyclone Gabrielle.
	Percentage of residents satisfied with the district's urban stormwater services	47%	28%	28%	50%	50%	The significant weather events during 2023, notably Cyclone Gabrielle, resulted in an increase in both volume and severity of issues.

Table 8: Capital expenditure required to deliver compliant water services

Projected investment in water services ($000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Drinking water										
Capital expenditure - to meet additional demand	37	784	467	215	962	1,871	2,715	1,467	47	171
Capital expenditure - to improve levels of services	1,503	1,185	976	2,274	3,859	6,102	4,195	2,536	3,358	3,273
Capital expenditure - to replace existing assets	4,383	3,866	3,987	6,044	6,070	4,980	4,737	4,942	6,331	7,534
Total projected investment for drinking water	**5,923**	**5,835**	**5,430**	**8,533**	**10,891**	**12,953**	**11,647**	**8,945**	**9,736**	**10,977**
Wastewater										
Capital expenditure - to meet additional demand	74	1,797	2,409	2,389	3,417	4,498	1,494	2,743	1,006	5,137
Capital expenditure - to improve levels of services	893	751	79	783	1,854	2,237	1,056	2,072	2,478	2,376
Capital expenditure - to replace existing assets	3,469	4,230	4,313	5,374	5,310	4,021	3,957	4,473	4,022	3,302
Total projected investment for wastewater	**4,435**	**6,777**	**6,801**	**8,546**	**10,582**	**10,756**	**6,508**	**9,289**	**7,506**	**10,816**
Stormwater										
Capital expenditure - to meet additional demand	98	196	182	197	397	1,041	3,163	3,303	2,299	2,212
Capital expenditure - to improve levels of services	1,420	1,439	1,211	999	1,400	1,591	1,715	1,119	874	541
Capital expenditure - to replace existing assets	2,039	1,566	875	1,371	2,180	2,230	1,267	1,295	1,322	1,313
Total projected investment for stormwater	**3,558**	**3,201**	**2,268**	**2,567**	**3,977**	**4,862**	**6,145**	**5,718**	**4,496**	**4,066**
Total projected investment in water services ($000)	**13,915**	**15,813**	**14,499**	**19,645**	**25,450**	**28,571**	**24,300**	**23,951**	**21,738**	**25,859**

Table 9: Historical delivery against planned investment

Delivery against planned investment ($000)	Renewals investment for water services				Total investment in water services			
	FY 2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY 2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total Planned investment (set in the relevant LTP)	12,413	20,657	13,914	46,984	16,640	60,207	19,033	95,880
Total actual investment	7,463	22,926	12,903	42,640	15,422	70,990	25,325	111,737
Delivery against planned investment (%)	**60%**	**111%**	**93%**	**91%**	**93%**	**118%**	**133%**	**117%**

E.2 Financial sustainability assessment tables

Table 10a: Average projected charges for water services 2024/25 to 2033/34

Projected average charge per connection / rating unit (including GST)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Drinking water	402	456	517	575	608	647	695	731	758	789
Wastewater	702	773	842	902	963	1,018	1,045	1,058	1,077	1,105
Stormwater	306	271	288	304	315	331	351	375	396	413
Average charge per connection / rating unit	**1,410**	**1,499**	**1,647**	**1,780**	**1,866**	**1,996**	**2,091**	**2,164**	**2,231**	**2,307**
Increase in average charge	0%	6%	10%	8%	6%	6%	5%	3%	3%	3%
Water services charges as % of median household income	**1.1%**	**1.1%**	**1.2%**	**1.3%**	**1.3%**	**1.4%**	**1.4%**	**1.4%**	**1.4%**	**1.5%**

Table 10b: Average projected charges for commercial/ industrial users

Projected average charge per commercial /industrial user	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Drinking Water (excludes water meter fees)	402	428	470	508	538	570	597	618	637	658
Waste Water (excluding Trade waste fees)	2,264	2,408	2,645	2,859	3,029	3,206	3,359	3,476	3,584	3,705
Stormwater	536	570	626	677	717	759	795	823	848	877
Average charge per connection	**3,203**	**3,406**	**3,741**	**4,044**	**4,285**	**4,535**	**4,751**	**4,916**	**5,069**	**5,240**

Table 11: Projected operating surpluses/(deficits) for water services

Operating surplus ratio ($000) (whether revenues cover costs)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Operating surplus/(deficit) excluding capital revenues – combined water services	(2,925)	(1,977)	(978)	76	923	1,604	1,929	2,172	2,450	3,039
Operating revenue – combined water services	22,659	24,439	27,105	29,579	31,634	33,786	35,704	37,248	38,726	40,377
Operating surplus ratio	**-13%**	**-8%**	**-4%**	**0%**	**3%**	**5%**	**5%**	**6%**	**6%**	**8%**

Table 12: Projected cash operating surpluses/(deficits) for water services

Operating cash ratio ($000) (whether revenues cover costs)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Operating surplus/(deficit) plus depreciation, interest less capital revenues – combined water services	7,843	9,438	11,128	12,745	14,379	16,135	17,647	18,793	19,884	21,138
Operating revenue – combined water services	22,659	24,439	27,105	29,579	31,634	33,786	35,704	37,248	38,726	40,377
Operating cash ratio	**35%**	**39%**	**41%**	**43%**	**45%**	**48%**	**49%**	**50%**	**51%**	**52%**

Table 13: Renewals requirements for water services

Asset sustainability ratio ($000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Capital expenditure on renewals – all water services assets	9,891	9,662	9,174	12,789	13,560	11,231	9,962	10,711	11,675	12,149
Depreciation – all water services assets	8,287	8,505	8,736	8,975	9,253	9,593	9,952	10,295	10,622	10,960
Asset sustainability ratio	**119%**	**114%**	**105%**	**142%**	**147%**	**117%**	**100%**	**104%**	**110%**	**111%**

Table 14: Total water services investment required over 10 years

Asset investment ratio ($000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Total capital expenditure – all water services assets	13,915	15,813	14,499	19,645	25,450	28,571	24,300	23,951	21,738	25,859
Depreciation – all water services assets	8,287	8,505	8,736	8,975	9,253	9,593	9,952	10,295	10,622	10,960
Asset investment ratio	**168%**	**186%**	**166%**	**219%**	**275%**	**298%**	**244%**	**233%**	**205%**	**236%**

Table 15: Average remaining useful life of network assets

Asset consumption ratio ($000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Book value of water infrastructure assets	397,190	404,112	409,150	418,114	432,200	447,896	461,331	470,861	478,290	489,324
Replacement value of water infrastructure assets	725,895	741,322	755,096	773,035	796,375	821,665	845,079	864,958	883,065	905,115
Asset consumption ratio	**55%**	**55%**	**54%**	**54%**	**54%**	**55%**	**55%**	**54%**	**54%**	**54%**

Table 16: Net debt to operating revenue

Net Debt to operating Revenue ($000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Net Debt attributed to water services (gross debt less cash)	58,177	67,403	73,878	84,050	98,757	115,327	126,519	136,227	142,806	152,522
Operating revenue - combined water services	22,659	24,497	27,371	30,001	32,201	34,590	36,932	39,024	40,813	42,521
Net debt to operating revenue %	**257%**	**275%**	**270%**	**280%**	**307%**	**333%**	**343%**	**349%**	**350%**	**359%**

Table 17: Borrowing headroom/(shortfall) for water services

Borrowing headroom/(shortfall) against limit ($000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Operating revenue	22,659	24,497	27,371	30,001	32,201	34,590	36,932	39,024	40,813	42,521
Debt to revenue limit for water services (%)	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt at borrowing limit	**113,294**	**122,484**	**136,853**	**150,006**	**161,006**	**172,952**	**184,662**	**195,118**	**204,064**	**212,606**
Projected net debt attributed to water services	58,177	67,403	73,878	84,050	98,757	115,327	126,519	136,227	142,806	152,522
Borrowing headroom/(shortfall) against limit	**55,117**	**55,081**	**62,975**	**65,956**	**62,249**	**57,625**	**58,143**	**58,891**	**61,258**	**60,084**
Total Council Borrowing headroom/ (shortfall) against limit	**21,963**	**18,389**	**11,980**	**174,862**	**188,230**	**183,416**	**206,232**	**220,040**	**237,986**	**254,535**

Table 18: Free funds from operations ($million)

Free funds from operations ($000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Projected net debt attributed to water services	58,177	67,403	73,878	84,050	98,757	115,327	126,519	136,227	142,806	152,522
Projected free funds from operations – water services	5,362	6,558	7,891	9,262	10,460	11,599	12,494	13,355	14,116	15,070
Free funds from operations to net debt ratio	**9%**	**10%**	**11%**	**11%**	**11%**	**10%**	**10%**	**10%**	**10%**	**10%**

E.3 Projected financial statements for water services

Table 19: Projected funding impact statement

Projected funding impact statement ($000) - water services	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Sources of operating funding										
General rates	450	700	1,200	1,231	1,262	1,291	1,321	1,350	1,378	1,407
Targeted rates	21,183	22,688	24,826	27,241	29,237	31,335	33,196	34,684	36,109	37,704
Subsidies and grants for operating purposes	210	215	220	226	231	237	242	247	253	258
Local authorities fuel tax, fines, infringement fees and other	-	-	-	-	-	-	-	-	-	-
Fees and charges	808	828	851	873	895	916	937	957	977	998
Total sources of operating funding	**22,651**	**24,431**	**27,097**	**29,571**	**31,625**	**33,778**	**35,696**	**37,239**	**38,717**	**40,367**
Applications of operating funding										
Payments to staff and suppliers	12,800	12,815	13,482	14,274	14,631	14,968	15,312	15,649	15,977	16,313
Finance costs	2,481	2,909	3,370	3,694	4,203	4,938	5,766	6,326	6,811	7,140
Internal charges and overheads applied	2,016	2,186	2,495	2,560	2,624	2,684	2,746	2,806	2,865	2,925
Other operating funding applications	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding	**17,297**	**17,910**	**19,347**	**20,528**	**21,457**	**22,590**	**23,824**	**24,781**	**25,654**	**26,379**
Surplus/(deficit) of operating funding	5,354	6,521	7,750	9,043	10,168	11,188	11,871	12,458	13,063	13,989
Source of capital funding										
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	58	265	422	567	804	1,228	1,776	2,087	2,145
Increase/(decrease) in debt	8,554	9,226	6,475	10,172	14,707	16,570	11,192	9,708	6,579	9,716
Gross proceeds from sales of assets	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	8	8	8	8	8	9	9	9	9	9
Total sources of capital funding	**8,562**	**9,292**	**6,749**	**10,603**	**15,282**	**17,382**	**12,428**	**11,493**	**8,674**	**11,870**
Applications of capital funding										
Capital expenditure - to meet additional demand	209	2,776	3,058	2,801	4,777	7,410	7,372	7,514	3,352	7,520
Capital expenditure - to improve levels of services	3,815	3,375	2,266	4,056	7,114	9,930	6,966	5,727	6,710	6,189
Capital expenditure - to replace existing assets	9,891	9,662	9,174	12,789	13,560	11,231	9,962	10,711	11,675	12,149
Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
Increase/(decrease) in investments	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding	**13,915**	**15,813**	**14,499**	**19,645**	**25,450**	**28,571**	**24,300**	**23,951**	**21,738**	**25,859**
Surplus/(deficit) of capital funding	(5,354)	(6,521)	(7,750)	(9,043)	(10,168)	(11,188)	(11,871)	(12,458)	(13,063)	(13,989)

Projected funding impact statement ($000) - water services	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Funding balance	-	-	-	-	-	-	-	-	-	-

Table 20: Projected statement of comprehensive revenue and expense

Projected statement of profit and loss ($000) - water services	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Revenue										
Operating revenue	22,659	24,439	27,105	29,579	31,634	33,786	35,704	37,248	38,726	40,377
Other revenue	-	58	265	422	567	804	1,228	1,776	2,087	2,145
Total revenue	**22,659**	**24,497**	**27,371**	**30,001**	**32,201**	**34,590**	**36,932**	**39,024**	**40,813**	**42,521**
Expenses										
Operating expenses	12,800	12,815	13,482	14,274	14,631	14,968	15,312	15,649	15,977	16,313
Finance costs	2,481	2,909	3,370	3,694	4,203	4,938	5,766	6,326	6,811	7,140
Overheads and support costs	2,016	2,186	2,495	2,560	2,624	2,684	2,746	2,806	2,865	2,925
Depreciation & amortisation	8,287	8,505	8,736	8,975	9,253	9,593	9,952	10,295	10,622	10,960
Total expenses	**25,584**	**26,415**	**28,083**	**29,503**	**30,711**	**32,183**	**33,776**	**35,076**	**36,276**	**37,338**
Net surplus/(deficit)	(2,925)	(1,918)	(712)	499	1,490	2,407	3,157	3,948	4,537	5,183
Revaluation of infrastructure assets	8,783	9,071	9,399	9,702	10,109	10,636	11,228	11,739	12,247	12,715
Total comprehensive income	**5,858**	**7,153**	**8,686**	**10,201**	**11,600**	**13,043**	**14,384**	**15,688**	**16,784**	**17,898**
Cash surplus/(deficit) from operations (ex non-cash items)	**5,362**	**6,587**	**8,023**	**9,473**	**10,744**	**12,001**	**13,108**	**14,243**	**15,159**	**16,143**

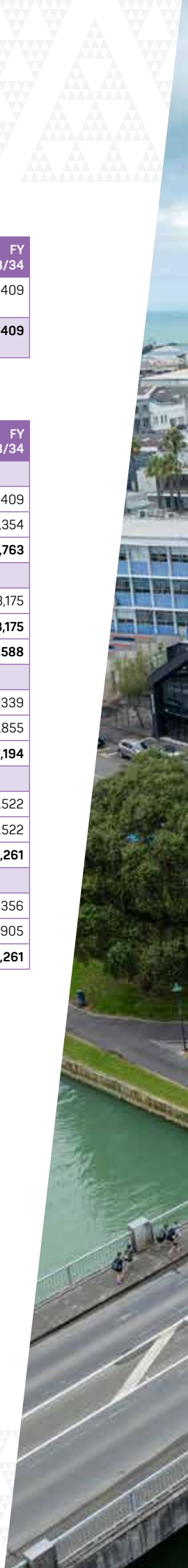
Table 21: Projected statement of cashflows

Projected statement of cashflows ($000) - water services	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	5,362	6,587	8,023	9,473	10,744	12,001	13,108	14,243	15,159	16,143
[Other items]										
Net cashflows from operating activities	**5,362**	**6,587**	**8,023**	**9,473**	**10,744**	**12,001**	**13,108**	**14,243**	**15,159**	**16,143**
Cashflows from investing activities										
Capital expenditure – infrastructure assets										
[Other items]	(13,915)	(15,813)	(14,499)	(19,645)	(25,450)	(28,571)	(24,300)	(23,951)	(21,738)	(25,859)
Net cashflows from investing activities	**(13,915)**	**(15,813)**	**(14,499)**	**(19,645)**	**(25,450)**	**(28,571)**	**(24,300)**	**(23,951)**	**(21,738)**	**(25,859)**
Cashflows from financing activities										
New borrowings	8,554	9,226	6,475	10,172	14,707	16,570	11,192	9,708	6,579	9,716
Repayment of borrowings										
Net cashflows from financing activities	8,554	9,226	6,475	10,172	14,707	16,570	11,192	9,708	6,579	9,716
Net increase/(decrease) in cash and cash equivalents	-	-	-	-	-	-	-	-	-	-

Projected statement of cashflows ($000) - water services	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Cash and cash equivalents at beginning of year	-	6,409	6,409	6,409	6,409	6,409	6,409	6,409	6,409	6,409
Cash and cash equivalents at end of year	**6,409**	**6,409**	**6,409**	**6,409**	**6,409**	**6,409**	**6,409**	**6,409**	**6,409**	**6,409**

Table 22: Projected statement of financial position

Projected statement of financial position ($000)	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Current Assets										
Cash and cash equivalents	6,409	6,409	6,409	6,409	6,409	6,409	6,409	6,409	6,409	6,409
Trade and other receivables	1,887	2,039	2,277	2,495	2,608	2,754	2,932	3,113	3,251	3,354
Total current assets	**8,296**	**8,448**	**8,686**	**8,904**	**9,017**	**9,163**	**9,341**	**9,521**	**9,660**	**9,763**
Current Liabilities										
Trade and other payables	2,132	2,201	2,340	2,459	2,560	2,687	2,829	2,964	3,076	3,175
Total Current liabilities	**2,132**	**2,201**	**2,340**	**2,459**	**2,560**	**2,687**	**2,829**	**2,964**	**3,076**	**3,175**
Total Net Working Capital	**6,164**	**6,246**	**6,345**	**6,445**	**6,457**	**6,477**	**6,512**	**6,558**	**6,583**	**6,588**
Non Current Assets										
Infrastructure assets	453,559	469,938	485,099	505,472	531,778	561,391	586,967	612,363	635,726	663,339
Other non current assets	178,279	178,197	178,097	177,998	177,986	177,966	177,931	177,885	177,859	177,855
Total Non Current Assets	**631,838**	**648,135**	**663,196**	**683,470**	**709,765**	**739,357**	**764,898**	**790,248**	**813,585**	**841,194**
Non Current Liabilities										
Borrowings – non-current portion	58,177	67,403	73,878	84,050	98,757	115,327	126,519	136,227	142,806	152,522
Total Non Current liabilities	58,177	67,403	73,878	84,050	98,757	115,327	126,519	136,227	142,806	152,522
Net assets	**579,825**	**586,978**	**595,663**	**605,864**	**617,464**	**630,507**	**644,892**	**660,579**	**677,363**	**695,261**
Equity										
Revaluation reserves	40,510	49,581	58,980	68,682	78,791	89,427	100,655	112,394	124,641	137,356
Other reserves	539,315	537,396	536,684	537,182	538,673	541,080	544,237	548,185	552,722	557,905
Total equity	**579,825**	**586,978**	**595,664**	**605,864**	**617,464**	**630,507**	**644,892**	**660,579**	**677,363**	**695,261**



Projected financial statements for water services

Table 23: Significant capital projects – drinking water

Significant capital projects ($000) – drinking water	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Projects to meet additional demand										
Water Network Pressure Zoning	-	707	372	-	-	-	-	-	-	-
Demand Management Initiatives	-	20	33	60	380	458	-	-	-	-
Taruheru Block Water Extension	-	-	-	25	275	550	275	-	-	-
Lytton Road bulk main renewal/ upgrade	-	-	-	-	-	75	1,000	-	-	-
Ormond Road to Hospital Hill reservoir second supply main	-	-	-	-	-	50	450	500	-	-
Water Network Pressure Zoning	-	-	-	-	100	450	450	450	-	-
Total investment to meet additional demand	**-**	**727**	**405**	**85**	**755**	**1,583**	**2,175**	**950**	**-**	**-**
Projects to improve levels of services										
Knob Hill Booster Pumpstn and Reservoir Supply Main	-	80	131	240	1,520	1,833	-	-	-	-
Demand Management Initiatives	-	-	-	25	275	550	275	-	-	-
Residential Backflow Prevention	339	348	357	360	360	440	-	-	-	-
Raw Water Pipeline and Treatment Resilience	300	300	300	-	-	-	-	-	-	-
Dams Resilience	100	160	-	60	60	-	-	-	-	-
Lytton Road bulk main renewal/ upgrade	-	-	-	-	-	75	1,000	-	-	-
Ormond Road to Hospital Hill reservoir second supply main	-	-	-	-	-	50	450	500	-	-
Waingake Line Community Water Supply Resilience	-	-	-	-	-	50	786	67	628	326
Waingake Water Treatment Plant	-	-	-	500	500	500	-	-	-	-
Waipaoa Treatment Plant Improvements	-	-	-	-	85	-	-	625	2,150	2,225
Water Network Pressure Zoning	-	-	-	-	100	450	450	450	-	-
Total investment to meet improve levels of services	**739**	**888**	**787**	**1,185**	**2,900**	**3,948**	**2,961**	**1,642**	**2,778**	**2,551**
Projects to replace existing assets										
Residential Backflow Prevention	85	87	89	90	90	110	-	-	-	-
Raw Water Pipeline and Treatment Resilience	700	700	700	-	-	-	-	-	-	-
Dams Resilience	400	640	-	240	240	-	-	-	-	-
Waingake Water Treatment Plant	-	-	-	500	500	500	-	-	-	-
Waipaoa Treatment Plant Improvements	-	-	-	-	85	-	-	625	2,150	2,225
Water Asset Renewals	2,165	1,872	2,434	4,580	4,403	3,433	3,433	3,903	3,083	3,874
Total investment to replace existing assets	**3,350**	**3,299**	**3,223**	**5,410**	**5,318**	**4,043**	**3,433**	**4,528**	**5,233**	**6,099**
Total investment in drinking water assets	**4,089**	**4,913**	**4,415**	**6,680**	**8,973**	**9,575**	**8,569**	**7,120**	**8,011**	**8,650**

Table 24: Significant capital projects – wastewater

Significant capital projects ($000) – wastewater	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Projects to meet additional demand										
Aerodrome Road additional pump station and reticulation	-	-	-	-	-	-	297	2,670	-	-
Customhouse St Pumpstation Upgrade & Emergency Storage	-	-	-	-	-	-	-	30	570	-
Grey St pump + emerg storage	-	-	100	-	-	150	1,250	1,500	-	-
Kaiti Area Pumpstation & Rising Main	-	-	75	2,175	3,000	3,750	-	-	-	-
Stafford St Pump Stn & Rising Main	-	-	-	-	-	-	-	-	225	4,125
Upgrade Campion Road Pump Station and Rising Main	-	1,454	1,015	-	-	-	-	-	-	-
Wastewater Network Capacity Upgrades	-	-	-	250	250	250	250	250	250	250
Total investment to meet additional demand	**-**	**1,454**	**1,190**	**2,425**	**3,250**	**4,150**	**1,797**	**4,450**	**1,045**	**4,375**
Projects to improve levels of services										
Customhouse St Pumpstation Upgrade & Emergency Storage	-	-	-	-	-	-	-	75	1,425	-
Grey St pump + emerg storage	-	-	50	-	-	75	625	750	-	-
Kaiti Area Pumpstation & Rising Main	-	-	25	725	1,000	1,250	-	-	-	-
Stafford St Pump Stn & Rising Main	-	-	-	-	-	-	-	-	75	1,375
Pump Station Emergency Storage	-	-	-	-	550	550	550	550	550	550
Wastewater Network Capacity Upgrades	-	-	-	125	125	125	125	125	125	125
Total investment to meet improve levels of services	**-**	**-**	**75**	**850**	**1,675**	**2,000**	**1,300**	**1,500**	**2,175**	**2,050**
Projects to replace existing assets										
Customhouse St Pumpstation Upgrade & Emergency Storage	-	-	-	-	-	-	-	45	855	-
Grey St pump + emerg storage	-	-	50	-	-	75	625	750	-	-
Upgrade Campion Road Pump Station and Rising Main	-	485	338	-	-	-	-	-	-	-
Wastewater Network Capacity Upgrades	-	-	-	125	125	125	125	125	125	125
Wastewater Asset Renewals	3,469	3,567	3,355	4,976	4,772	3,476	2,472	2,176	2,722	2,926
Total investment to replace existing assets	**3,469**	**4,052**	**3,743**	**5,101**	**4,897**	**3,676**	**3,222**	**3,096**	**3,702**	**3,051**
Total investment in wastewater assets	**3,469**	**5,506**	**5,008**	**8,376**	**9,822**	**9,826**	**6,319**	**9,046**	**6,922**	**9,476**

Table 25: Significant capital projects – stormwater

Significant capital projects ($000) – stormwater	FY 2024/25	FY 2025/26	FY 2026/27	FY 2027/28	FY 2028/29	FY 2029/30	FY 2030/31	FY 2031/32	FY 2032/33	FY 2033/34
Projects to meet additional demand										
Stormwater Localised Urban Upgrades	82	168	173	83	99	99	110	110	110	110
Integrated Catchment Plan	16	22	-	100	100	100	100	100	100	20
Kaiti Bulk Mains - De Latour/Wainui	-	-	-	-	-	-	-	780	732	792
Anzac and Kahutia Bulk Mains (site 6)	-	-	-	-	-	-	-	-	160	720
Awapuni Block Industrial Upgrades (site 7)	-	-	-	-	-	160	600	-	-	-
Kaiti Bulk Main - Crawford Road (site 10)	-	-	-	40	40	400	1,600	1,120	-	-
Total investment to meet additional demand	**98**	**191**	**173**	**223**	**239**	**759**	**2,410**	**2,110**	**1,102**	**1,642**
Projects to improve levels of services										
Graham/De Lautour Road	510	-	-	-	-	-	-	-	-	-
Whataupoko	131	337	-	-	-	-	-	-	-	-
S/W Elgin/CBD/Te Hapara Upgrades (site 3)	-	-	-	75	375	375	-	-	-	-
Stormwater resilience	180	450	600	-	-	-	-	-	-	-
Public drains on private property	550	550	550	550	550	550	550	-	-	-
Integrated Catchment Plan	49	67	-	300	300	300	300	300	300	60
Kaiti Bulk Mains - De Lautour/ Wainui	-	-	-	-	-	-	-	195	183	198
Anzac and Kahutia Bulk Mains (site 6)	-	-	-	-	-	-	-	-	40	180
Awapuni Block Industrial Upgrades (site 7)	-	-	-	-	-	40	150	-	-	-
Kaiti Bulk Main - Crawford Road (site 10)	-	-	-	10	10	100	400	280	-	-
Total investment to meet improve levels of services	**1,420**	**1,404**	**1,150**	**935**	**1,235**	**1,365**	**1,400**	**775**	**523**	**438**
Projects to replace existing assets										
Graham/De Lautour Road	1,190	-	-	-	-	-	-	-	-	-
Whataupoko	305	786	-	-	-	-	-	-	-	-
S/W Elgin/CBD/Te Hapara Upgrades (site 3)	-	-	-	175	875	875	-	-	-	-
Stormwater resilience	120	300	400	-	-	-	-	-	-	-
Integrated Catchment Plan	16	22	-	100	100	100	100	100	100	20
Stormwater Asset Renewals	407	419	431	994	994	994	994	994	994	994
Total investment to replace existing assets	**2,039**	**1,528**	**831**	**1,269**	**1,969**	**1,969**	**1,094**	**1,094**	**1,094**	**1,014**
Total investment in stormwater assets	**3,558**	**3,123**	**2,154**	**2,427**	**3,443**	**4,093**	**4,904**	**3,979**	**2,719**	**3,094**

Table 26: Assumptions

Strategic issues	Descriptor	Assumption	Level of uncertainty	Risk of assumption is incorrect
Business and industry growth	Economic impacts	Growth within the reticulated network is aligned with the projected growth under the 2022 Housing and Business Capacity Assessment and the updated 2025 Thomas Consulting projections.	Low	**MEDIUM** Higher business growth than planned for in the reticulated services area may have a greater impact on the network services than is accommodated. This would require a change in timing for some planned upgrades or new works not accounted for in this period to be required.
Treaty Partnership	Strategic partnerships	Council's Treaty commitments are upheld under this model and further discussions are held with relevant mana whenua groups. It is assumed for this WSDP that this is an ongoing conversation that evolves and the impacts are considered at that point. The WSDP doesn't factor in any particular costs associated with possible future arrangements.	Low	**MEDIUM** Given the model proposed under the WSDP is similar to status quo, there is time for more discussions and good planning around implications to be included in the WSS.
Demographic Change	Population	Growth forecasts are relatively aligned with the projections in Table 1 in Appendix B. There are no large swings in growth that occur in the short to medium term.	Low	**MEDIUM** Economic, pandemic or other global/national influences significantly affect growth resulting in under/over investment in infrastructure. If population growth exceeds predictions, additional unbudgeted services and infrastructure may be required. Increase in small settlements' populations would put pressure on the provision of infrastructure and services to those areas.
	Housing	The number of households is likely to increase at a slightly faster rate than population, as household size declines.	Low	**MEDIUM** Council may need to adjust services and infrastructure provision.
	Ethnicity	The Gisborne District will continue to primarily be a bicultural society, with over 50% of the population identifying as Māori.	Low	**MEDIUM** Council may need to adjust service provision to reflect the ethnic and cultural identity of the District's communities.
Funding Sources	Development contributions	Revenue from development contributions will be at or above the levels predicted in the Development Contributions Policy.	Low	**LOW** Council's income is reduced. Either rates/loans increase or levels of service decrease as a result. Planned projects to increase network capacity to support growth may not be needed and would not occur.
	Investments	Interest rates on financial investments is assumed to be at or above Y%. Include forecast returns on investment assumptions.		
	New government funding streams	New funding streams may become available to assist with climate change adaptation measures and to recognise increased responsibilities placed on local authorities by central government. This plan only accounts for known sources.	High	**VERY HIGH** New funding streams are not available or are complex to access and require additional resourcing to manage. Increased funding could enable some planned resilience projects to be brought forward or the scope expanded beyond what is planned in this WSDP.
Financial	Borrowing	It is assumed that Council will obtain a credit rating by 1 July 2027. The modelling also assumes interest rates are consistent with Council's overall interest rate assumptions and reflect the current non-credit-rated position, with interest set at 5%.	Low to medium	**MEDIUM** Interest rates maybe higher than what we expected. Either fees charged to the end user may increase, or we phase over a slightly longer period for some of increase level of service and growth projects.
	Inflation	The budget estimates are based on current funding requirements, adjusted for known cost increases and levels of service. Inflation is then assumed at the 30-year average rate of 2%. If inflation is higher in the early years of the Plan, the budget estimates may not be sufficient.	Medium	**HIGH** Increased costs to Council, requiring an increase in rates, loans or a reduction in levels of service.
	Significant contracts	Cost of significant contracts and planned major capital works will not vary significantly from current budget estimates.	Medium	**HIGH** Increased cost to Council. Either rates/loans increase or levels of service decrease as a result.

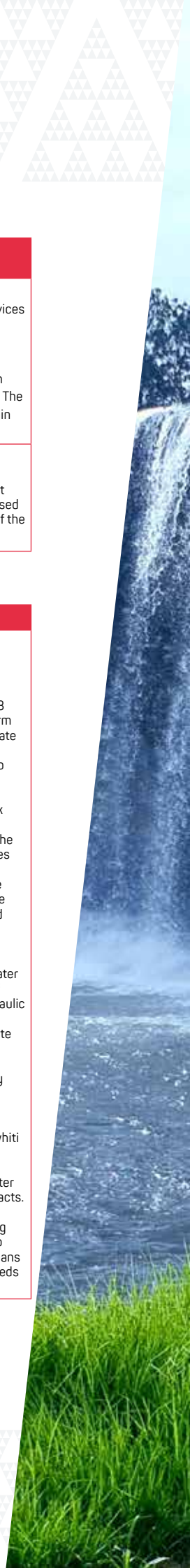
Strategic issues	Descriptor	Assumption	Level of uncertainty	Risk of assumption is incorrect
Levels of Service	Levels of service generally	Levels of service will generally be maintained or restored following the impact of severe weather events under the recovery programme, with any required changes updated through the WSS or annual planning processes. An increase to levels of service may result from a new capital project that is designed to lift the level of service. This will be costed into the project.	Low	**MEDIUM** Costs may increase requiring an increase in rates or a reduction in levels of service in other areas. Rates affordability may require a reduction in levels of service.
	Legislative or policy changes	There are no unforeseen major legislative changes or changes in government policy which significantly impact on levels of services. The Local Government (Water Services) Bill is enacted in substantially its current form. There is a period of relative stability follows introduction of current legislation and regulation.	Medium	**HIGH** Increased cost to Council requiring an increase in rates/loans or a reduction in levels of service in other areas.
Assets/ Infrastructure	Significant assets	All new assets or significant changes to existing assets are accurately identified in the WSDP.	Low	**MEDIUM** Additional assets or significant changes to assets are required, resulting in unplanned expenditure.
	Asset renewal	The useful life of all significant assets is accurately recorded and reflected in the renewals programme included. Renewals investment includes addressing the backlog of renewals. Wastewater is projected to be up to date within five years, while stormwater and water infrastructure will be addressed over a ten-year period. All significant assets are replaced at the end of their useful life unless otherwise identified in the WSDP.	Medium	**HIGH** Assets require replacement sooner than planned.
	Network capacity	In the past, Gisborne (GDC) has experienced slow growth, with existing network spare capacity sufficient to accommodate demand. A step change in infrastructure capacity is needed to allow growth at levels indicated in the Future Development Strategy (FDS). Early estimates of this work are incorporated into the capital works programme. Changes in the TRMP to allow greater intensification will also affect capacity upgrades depending on where they occur.	Medium	**MEDIUM** If the capacity demand for the network occurs earlier than works are planned or exceeds what is planned then additional work or acceleration of projects would need to be considered and progressed to support housing and business growth.
	Depreciation	Depreciation is funded in accordance with current Council policy.	Medium	**HIGH** There is insufficient funding available to replace assets at the end of their useful life.
	Climate change planning	A national position on climate change science, impact, responsibility and mitigation allows alignment of national/local government policy and standards	Medium	
	Asset revaluation	All asset revaluations are a best estimate based on historical assets values, forecast capital expenditure, and the BERL inflation indices. All revaluations result in an appropriate change to revaluation reserves and the depreciation expense.	Medium	**HIGH** If value changes significantly, depreciation funding may be insufficient to fund asset replacement.
	Minimum standards	Legislative and regulatory waters reform (water, wastewater and stormwater) will require Council to undertake significant operational and regulatory changes to meet new mandatory standards.	Medium	**VERY HIGH** Budget and resourcing allocations are insufficient to meet work needed to meet new standards.

Strategic issues	Descriptor	Assumption	Level of uncertainty	Risk of assumption is incorrect
Natural Environment	Policy changes	Changing environmental policies and standards (including the review of the Resource Management Act) require Council to make significant regulatory and operational changes, which require additional resourcing.	Medium	**HIGH** Level of resourcing and cost implications may be higher than anticipated.
	Climate change	The region will be 0.7 to 1.1°C warmer and annual rainfall will decrease by 1.1%. There will be a slight decrease in annual rainfall and droughts are likely to increase in intensity and duration. This is likely to lead to water shortages, increased demand for irrigation, and greater fire risk. Ex-tropical cyclones will get stronger and cause more damage as a result of heavy rain and winds. Increased storm events with high intensity rain could lead to problems with erosion and flooding. There will be increased risk to coastal roads and infrastructure from coastal erosion and inundation, increased storms, and sea level rise. The changing climate could bring biosecurity threats as a result of changes in pests and pests and diseases in the region. Warmer temperatures, a longer growing season, and fewer frosts could provide opportunities for new crops[viii].	Medium	**VERY HIGH** It is difficult to accurately predict the full extent of climate change, the impacts for the region, and level of central government support. Government policy framework is still under development and any Governement assistance is still uncertain and may be insufficient to meet the costs associated with full climate change adaptation measures.
	Regional planning environment	A full review of Tairāwhiti Resource Management Plan is undertaken to provide for the integrated management of natural and physical resources. The new TRMP requires some improved operational standards when consents are renewed or new consents obtained.	Low	**MEDIUM** The costs and resources required are greater than planned.
Significant Unplanned Events	Changing circumstances	Council has sufficient resourcing and organisational capability to respond to significant unplanned events and changing circumstances.	High	**HIGH** There is insufficient resourcing or financial reserves available.
	Current state of the network	Our current networks are less resilient than they were pre-Gabrielle and a lesser event could cause similar significant damage. The programme assumes no such event takes place until after resilience has been restored to pre-Gabrielle levels. Part of the capital works programme addresses network and critical asset risk and restoring and building resilience.	High	**HIGH** If a smaller event occurs prior to resilience being restored then extensive damage will result in significant costs and remedial works.
	Political change	Political change during the life of the WSDP could result in significant change in planned works and direction.	Medium	**HIGH** Reprioritisation of Council activities may be required.
	Natural hazards and disasters	Natural hazards, such as floods, will cause damage to waters infrastructure. There will be sufficient borrowing capacity to fund any damage to infrastructure. No natural hazard or disaster causes widespread or catastrophic damage to Gisborne District's infrastructure.	Medium	**HIGH** Extreme weather events have the potential to cause significant damage to the District's infrastructure.
Organisation	Technology	Council is able to use technological advancements to more efficiently deliver services.	Low	**LOW** Service quality may be affected.
	Resourcing	The Council has sufficient resourcing to maintain levels of service and deliver its programme of works.	Medium	**HIGH** Levels of service and project delivery may be affected. The need to engage consultants to meet resourcing gaps may result in additional cost.
Fees	Average water service charges	The average water services charges are based on the average residential charge. It does not include commercial or industrial (or extraordinary users). Charges for commercial and industrial users, will on average be significantly higher, depending on water metered usage, the number of pans and the capital value.	Low to Medium	**MEDIUM** The average costs to residential household maybe higher than was modelled. This may mean an increase cost to end user or slower delivery of investment programme.

Strategic issues	Descriptor	Assumption	Level of uncertainty	Risk of assumption is incorrect
Fees	Water charges (average residential use as a % of medium household income)	Average household income is assumed to start from base as reported for the Gisborne Region (MBIE - https://webrear.mbie.govt.nz/summary), and a growth of 2% per annum thereafter.	Medium	**MEDIUM** The average residential users water services charges as a percentage of household income maybe higher. Modeled impacts of a lower household income (ie starting of a base $116,00), ratio changes from in 2027/28 from 1.4% to 1.7% in 2033/24. The lower household income rate is still within the 2.5% DIA benchmark.
Fees	Commercial and industrial fees	Water metering is assumed to follow the same increases asprojected within Table 10a 'increase in average charge' under average residential costs.	Low to medium	**MEDIUM** The cost of fees for commercial and industrial users may be higher than what was modeled. This may mean an increased cost to the end user or slower delivery of the investment programme.

Table 27: Risks

Parameters	Drinking supply	Wastewater	Stormwater
Key risks	• Sufficient source water – A combination of regulatory changes, a warming climate, extreme weather events silting sources, prolonged dry periods between source-replenishing rain and population growth present challenges for meeting demand from current water supply sources. Changes in levels of service and more frequent water restrictions are likely, which has implications for industry and our economy. Within this 10 year LTP, validating potential of source supply options for Gisborne City, historical and new, is important for long term Planning and future resilience. • Peak demand – Peak demand water use exceeds the maximum supply from the water treatment Plants resulting in the drawing down of reservoirs. Water restrictions are implemented to manage demand in line with treated supply volumes and to avoid depleting the source waters to critically low levels. Restrictions have implications for residents and industry, particularly the processing of primary products, and the economy. Impounding reservoirs are also used to provide emergency water storage, during periods of high demand there is reduced resilience to cope with a disruption in supply. • Water loss – Focus on reducing water loss through production, bulk supply, network distribution and water use is necessary for demand management, financial control and supply availability.	**Strategic risks/issues** • Government, through Kāinga Ora, are actively looking to refurbish and increase their housing stock. This may impact on infrastructure capacity to deliver the required level of service or stay within the reticulated services boundary footprint. • Growth projections may not reflect changing social and economic conditions promoting significant infrastructure investment. • Climate change may cause poor infrastructure investment without clear direction and resourcing of adaption Planning to mitigate affects. • Ongoing cost increases and resource scarcity may impact on affordability and deliverability of the forward work programme. **Operational** • Deferment of capital renewals work may cause an increase in reactive maintenance costs. • The DrainWise programme may be difficult to implement due to affordability of private investment needed for lateral replacement on private property. **Assets** • The cost to undertake network wide condition assessment is prohibitive and undertaking statistical sampling may result in incorrect renewals prioritisation. This can be offset by adopting a risk-based assessment approach.	**Strategic risks/issues** • Cyclone Recovery and Network Resilience - Over the next three years there are a number of network repairs and improvements related to the 2023 Cyclone Recovery. Over the longer term opportunity exists to incorporate climate change initiatives with natural hazard events, such as Tsunami inundation, to build greater resilience. • Stormwater inflow and infiltration into the Gisborne City wastewater network – while the Council Plans for renewal and upgrade of public infrastructure, the majority of inflow and infiltration comes from private property assets, which is the responsibility of homeowners. The DrainWise Implementation Programme will be supported by a compliance and enforcement process. • Impact of Climate Change – climate change is likely to reduce the level of service (the effectiveness) of stormwater infrastructure due to the possibility of higher intensity storms, reduced hydraulic grades because of sea levels rise, and impacts on groundwater levels. The rate of climate change may be faster than the rate at which the network can be upgraded or adapted, and we are likely to have a greater reliance on overland flow-paths. • Reducing the impacts of stormwater discharges on waterways – the Tairāwhiti Resource Management Plan (TRMP) requires Council to better understand how stormwater discharges affect water quality and how to manage these impacts. Because of the complexity involved, the TRMP has taken a holistic Planning approach, requiring Council to develop integrated catchment management Plans that the public stormwater system needs



LOCAL WATER DONE WELL

TŌ TĀTAU WAI,
TŌ TĀTAU MANA
OUR WATER, OUR WAY

Mahere Whakataki Ratonga Wai
Water Services Delivery Plan

Te Kaunihera o Te Tairāwhiti
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