Council Workshop
AGENDA

Notice of Workshop Te Pānui o te Hui:

A Council Workshop will be held on:

Date:	**Tuesday 12 August 2025**
Time:	**9.30 am - 12.15 pm**
Venue:	**Boardroom, Fendalton Service Centre, Corner Jeffreys and Clyde Roads, Fendalton**
	Open session will be recorded and published online
	https://councillive.ccc.govt.nz/meeting-calendar/

Membership Ngā Mema

Chairperson	Mayor Phil Mauger
Deputy Chairperson	Deputy Mayor Pauline Cotter
Members	Councillor Kelly Barber
	Councillor Melanie Coker
	Councillor Celeste Donovan
	Councillor Tyrone Fields
	Councillor James Gough
	Councillor Tyla Harrison-Hunt
	Councillor Victoria Henstock
	Councillor Yani Johanson
	Councillor Aaron Keown
	Councillor Sam MacDonald
	Councillor Jake McLellan
	Councillor Andrei Moore
	Councillor Mark Peters
	Councillor Tim Scandrett
	Councillor Sara Templeton

8 August 2025

Principal Advisor
Mary Richardson
Chief Executive
Tel: 941 8999
mary.richardson@ccc.govt.nz

There will be no public admittance into the meeting room. The open session will be recorded and published online.

Note: This forum has no decision-making powers and is purely for information sharing.

To find upcoming meetings, watch a recording after the meeting date, or view copies of meeting Agendas and Notes, go to:
https://www.ccc.govt.nz/the-council/meetings-agendas-and-minutes/

TABLE OF CONTENTS NGĀ IHIRANGI

1. Apologies Ngā Whakapāha

Apologies will be recorded at the meeting.

2. Transport Operations Report (April - June 2025)

Reference Te Tohutoro: 25/1531572

Presenter(s) Te Kaipāhō : Lynette Ellis – Head of Transport & Waste

1. Detail Te Whakamahuki

Purpose and Origin	• The purpose of this report is to update the Council on the Transport Operation activity to the end of June 2025. • The attached report was completed by staff in Transport Unit.
Timing	This information session is expected to last for 30 minutes.
Outcome Sought	Receives the information in the Transport Operations Report (April - June 2025)
ELT Consideration	N/A
Next Steps	Staff welcome feedback on the report layout and topics. This will help us to create an informative document that provides useful information on a regular basis.
Key points / Background	• This Transport Operations report covers activities completed in the last quarter of FY25 and reviews the core activities that were completed over the year. • There is a particular focus on the maintenance activities undertaken over the course of the financial year with core statistics provided. • There is a spotlight on the weather events that have been responded to, the rapid response footpath crews and work that has been undertaken with a number of schools to improve road safety.
Useful Links	

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A	Transport Operations Report - April to June 2025	25/1531573	6

Signatories Ngā Kaiwaitohu

Authors	Lynette Ellis - Head of Transport & Waste Management Kathy Graham - Acting Team Leader Traffic Operations
Approved By	Brent Smith - General Manager City Infrastructure

Christchurch City Council

Transport Operations Report

April to June 2025

ccc.govt.nz/transport

August 2025

Christchurch City Council

Contents

Image courtesy of Isaac Construction Ltd.

We've been working alongside Orion NZ to upgrade traffic signals during their 66kV project.

Executive summary

Our latest Transport operations report provides an update on our efforts to keep Christchurch moving.

This quarter, our transport teams have risen to the occasion across maintenance, emergency response, traffic safety and community engagement. From managing severe weather events, to delivering intersection safety improvements, and empowering school-led safety initiatives, we're continuing to build a safer, smarter, and more resilient transport network. This report features a 'year in review' for several of our workstreams.

As we settle into colder temperatures, our maintenance team has shifted from its capital resurfacing season and into winter operations. We successfully completed **138.6 km of road resurfacing** over the last year, including asphalt, chip seal, microsurfacing, and rehabilitation. Managing leaf fall across the city and Banks Peninsula is a priority for us at this time of year, too. Our contractors manage a list of **980 streets in high leaf fall areas**, and we continue to use tools like the Snap Send Solve app to respond quickly to resident reports.

The **May 2025 State of Emergency** involved widespread flooding and landslips, particularly in Banks Peninsula. Thanks to proactive planning, sump clearing, and 24/7 contractor support, we were able to keep most floodwaters from entering properties. A multi-unit project team continues to manage Lighthouse Road in Akaroa, where land movement prompted emergency evacuations.

In terms of safety improvements, we've completed **intersection upgrades at Church Corner**, including new traffic signals, cycle lanes, pedestrian crossings, and speed humps. We completed traffic signal upgrades at two busy intersections on Milton Street, which was a great coordinated effort with Orion NZ's underground 66kV cable installation, and a way to minimise overall disruption in the area.

Finally, our **Good-to-Go school travel programme** continues to resonate with young people across the city. Students from three schools presented to their local board on proposed road upgrades, while student leaders from New Brighton Catholic School created a thoughtful and compelling road safety video campaign (find a link to this on page 23). It's awesome to see how our Travel Demand Management Team gets out there and connects so well with our youngest road users.

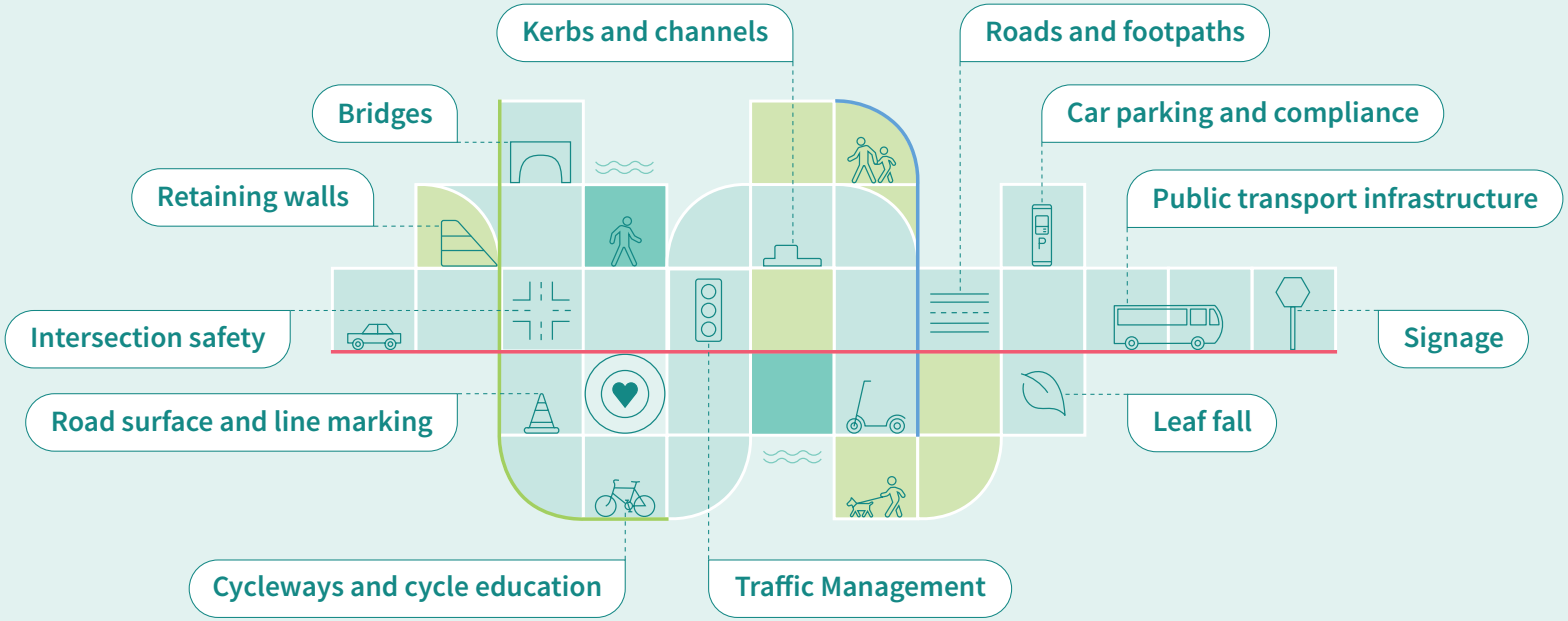
Lynette Ellis
Head of Transport and Waste Management

Wet weather put us through our paces in May.

Our network

Christchurch City Council owns and maintains 3,938 roads that stretch for more than 2,086 kilometres – that's longer than the distance from Cape Reinga to Bluff (2,058 kilometres).

We're responsible for more than you might think across that network:



Maintaining our network

Winter has arrived

Given we can't do most resurfacing work once ground temperature drops and rain is more frequent our resurfacing programme is put on hold over winter.

The focus changes to overnight road gritting when temperatures fall, road clearing when snowfall becomes prevalent and focussed sump maintenance to minimise surface flooding due to higher rainfall.

We keep an eye on upcoming weather events and our contractors are proactive to ensure extreme weather events are managed. This helps to minimise disruption to the network.

Leaf fall season is well and truly underway, and our contractors monitor a hotlist of around 980 streets where we have increased numbers of deciduous trees. Low temps and recent weather events accelerated the rate of leaf fall this year. Our contractors have focused on responding to resident feedback across the city, utilising the snap, send solve app to quickly respond to excessive leaf fall levels.

Spotlight: State of Emergency for Christchurch and Banks Peninsula | May 2025

In early May, a **State of Emergency** was declared following extensive rainfall across Christchurch and Banks Peninsula.

All areas experienced significant rainfall, with Central and South Christchurch bearing the brunt of localised surface flooding. Our Road Maintenance team and contractors responded very well, operating around the clock across our four contract areas – North, Central, South, and Banks Peninsula.

Thanks to proactive planning and close coordination with our Three Waters colleagues, we were able to mitigate the worst impacts. By identifying vulnerable hotspots in advance, installing pumps, and intensifying sump maintenance, crews managed surface water effectively. A number of roads were closed, but the majority of floodwater remained on the road surface. Our contractors performed admirably in supporting Council's emergency response efforts and were consistently quick to act – regardless of location or time of day.

Spotlight: State of Emergency for Christchurch and Banks Peninsula | May 2025 (cont)

Banks Peninsula faced particularly intense and prolonged rainfall – over 300mm across several days – resulting in flooding, landslips, and dropouts (sections of road or roadside that collapse due to erosion or ground failure).

Despite challenging and often hazardous conditions, our contractor Fulton Hogan delivered excellent work to keep residents safe, even as slips continued to develop and infrastructure such as bridges and culverts were compromised.

During the State of Emergency our contractor noticed some cracking parallel to and across Lighthouse Road in Akaroa. This resulted in a number of properties being evacuated under emergency powers until we could establish the risk to residents and the local business community.

We have since established a project team working across multiple units to focus on a resolution for Lighthouse Road.

Weather-related damage due to slips, erosion and other incidents during the State of Emergency.

Our maintenance achievements

A year in review – 1 July 2024 to 30 June 2025

We use road assessment and maintenance management (RAMM) software to manage and maintain our road network.

	FY2023/24	FY2024/25
Total number of jobs loaded into RAMM during the financial year	**58,745 jobs** • **47,694** (81.1%) complete • **9,665** (16.5%) no action required • **1,386** (2.3%) other (e.g. low priority, on hold, pending funding).	**59,572 jobs** • **44,449** (74.6%) complete • **8,916** (14.9%) no action required • **6,207** (10.4%) other (e.g. still in progress for prioritisation, programming and funding, with some on hold).
Weather related cost	**$1.9m spent**	**$365,000 spent so far** Forecast of $3,800,000 (relating to weather events in March and May 2025). This excludes Bossu Road Bridge ($750,000) and Lighthouse Road ($2,000,000).
Urgent and make safe jobs	**3,034 dispatches** At a total cost of **$1,972,471**	**2,951 dispatches** At a total cost of **$1,046,624**
Total cost of maintenance jobs This includes all activities within the maintenance contracts, including capital work.	**$60,688,174**	**$69,532,134**

Our maintenance achievements

Resurfacing

The end of March also marked the end of our capital resurfacing season and a transition into our cold-weather operations, like our leaf fall programme.

We're pleased to report that our Capital Road Resurfacing programme completed **138.60km** of reseals in the 2024/2025 financial year.

The reseal total is made up of:

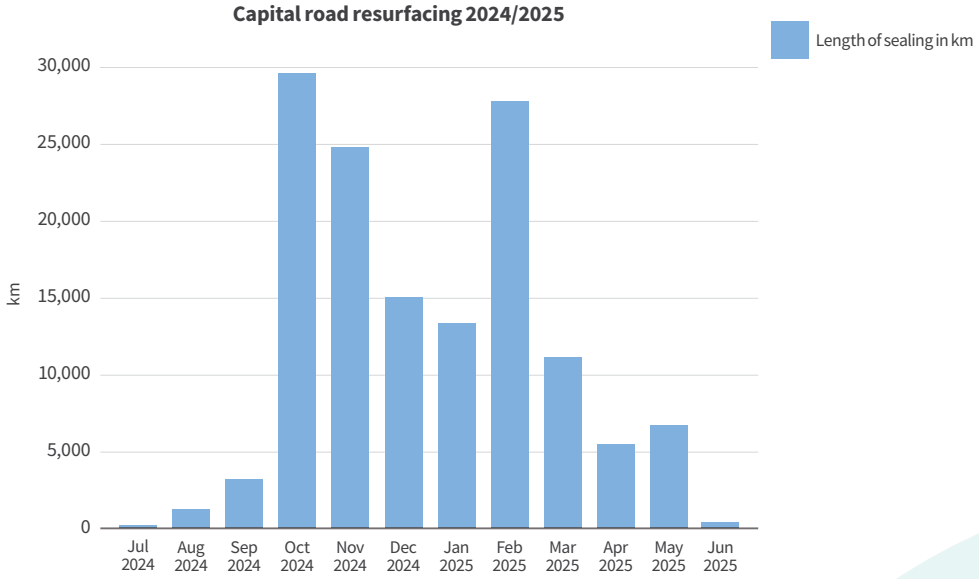
- **9.02km of asphalt concrete**
- **118.94km of chip seal**
- **4.70km of rehabilitation**
- **5.93km of microsurfacing**

The total spend for this work was **$27,959,958.**

This also includes other associated costs such as:

- Pre-seal repairs
- Escalations
- Fluctuations in the cost of bitumen
- Waste levy increase

In addition, we completed **21.5km** of footpath resurfacing and **8.45km** of kerb and channel resurfacing.



Our maintenance achievements

A year in review – 1 July 2024 to 30 June 2025

Rapid response footpath crew

We receive thousands of customer service requests relating to footpath condition each year.

We launched the Rapid response footpath crew (RRFC) initiative in July 2023 to address the smaller tasks that are a nuisance for the community, but may not meet our contractual service levels for undertaking work.

Between 2019 and 2023 we had seen a consistent drop in customer satisfaction relating to footpaths:

- 40% satisfaction in Financial Year (FY) 2019/20
- 36% in FY 2020/21
- 35% in FY 2021/22
- 32% in FY 2022/23
- 36% in FY 2023/24

However, due to the great work of the RRFC, we've been really pleased to see **an increase in satisfaction levels to 39% in FY 2024/25.**

We had also seen an increasing number of customer service requests relating to footpaths.

Between FY 20/21 and FY 2022/23 we received an average of 2,487 customer service requests (CSRs) per year. In FY 2023/24 we received 2,906 CSRs (a 17% increase year on year).

In FY 2024/25 we received 2,208 CSRs.

This represents a **24% reduction of customer service requests on the previous year**.

Since the introduction of the RRFC two years ago, they've completed **nearly 4,000 jobs.**

What we're doing differently

Improvements and future-focused developments

FY25/26 reseal sites inspected and scoped

All sites have been fully assessed and will be programmed by mid-July 2025, well ahead of schedule, setting us up for a well-planned year ahead.

Transition to digital

We've moved from paper-based inspections to recorded data in our road assessment and maintenance management (RAMM) software, making our processes fully traceable and far more efficient.

Prioritisation tool for rehab sites

We've developed a new tool, together with an external consultancy, to identify high-priority rehabilitation sites. This will mean we can deliver seven rehabilitation sites this coming financial year, making it our biggest programme yet. Testing and design should be completed by July, with delivery kicking off in September 2025.

Enhanced working structure

We've separated our operational and capital expenditure meetings, which has allowed us to focus more clearly on our deliverables in each area.

Monthly programming and budget meetings

We're aiming to approve our maintenance programmes three months in advance to allow contractors more time for traffic management, resource planning, and informing local communities about their work.

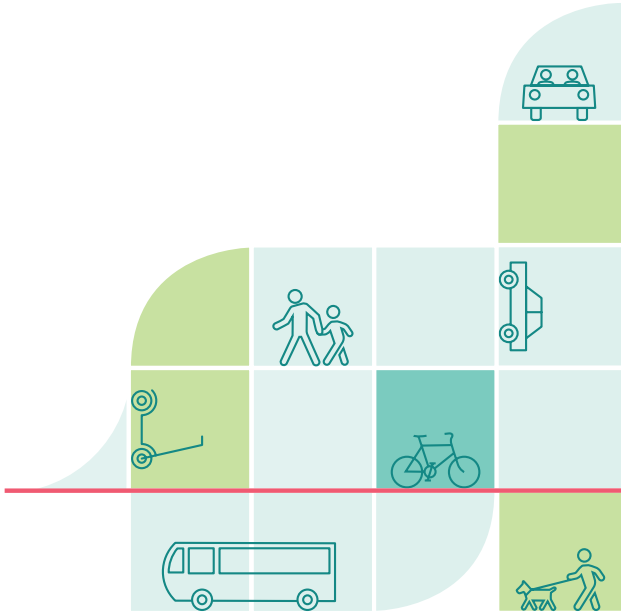
Dashboards with RAMM Insights

We've created and deployed dashboards that provide real-time reporting, accessible to all RAMM users. An example of one of these dashboards can be seen on page 9. While we haven't formally measured the time savings yet, the improvements are easy to see:

- Financial reporting alone saves four hours per month when reporting forecast in the capital project management system (CPMS).
- Improved visibility for all stakeholders, including contractors and asset managers. This is leading to better planning, delivery, and budget tracking.

Touchplan implementation

We've re-introduced Touchplan (construction planning software) to manage and track rehabilitation work using Last Planner principles. This is helping with collaboration across design, communications and delivery, This structured approach is keeping our programme planning running smoothly.



Operations

A year in review – 1 July 2024 to 30 June 2025

How we got around

4,270,006 pedestrian movements in the central city
⬆ from **3,929,488** in Financial Year (FY) 2023/24

6,066,418 cycle trips across the city*
⬆ from **5,977,403** in FY2023/24

1,421,426 rentable eScooter and eBike trips across the city
⬆ from **1,310,434** in FY2023/24

80,388,061 vehicle trips across 26 intersections surrounding the central city
⬆ from **79,555,110** in FY2023/24

14,316,937 bus trips across the city
⬆ from **13,718,600** in FY2023/24

* Please note: Three cycle counters were switched off while construction took place between April and June 2025 (i.e. shared pathway improvements at the Antigua Street footbridge)

Source: Smart Christchurch

Micromobility statistics Q4 2025				
	April	May	June	Comments
Number of operators	2	2	2	Lime and Ario
Number of devices cap	2,000	2,000	2,000	
Number of trips	114,763	114,491	88,206	
Number of devices deployed (average)	1,873	1,861	1,820	
Average trips per day per device (TDD)	2.2	2.1	1.7	
Number of tickets submitted to operator	271 Lime scooters only, Ario data not available.			Snap Send Solve data
Number of tickets submitted to Council	38			Hybris

Most complaints are about scooters left blocking footpaths – a significant problem for people with mobility issues. Other complaints refer to dangerous riding, speed, tandem riding and failing to give way to pedestrians.

Operations

A year in review – 1 July 2024 to 30 June 2025

Parking infringement notices

We issued **68,516 parking infringement notices**:

- **7,880** special vehicle lane infringements
  - **3,284** driving in a special vehicle lane
  - **4,596** parking in a special vehicle lane
- **157** mobility park infringements

Street lighting

We have **48,782 streetlights** across our transport network.

Over the last year we completed:

- **9,118** light cleans
- **4,641** light and pole inspections

Bus stops, shelters and seats

We have **3,082 bus stops** across our network, with 363 bus stop shelters and 617 stand-alone bus stop seats.

Over the last year, we completed:

- **4,800 shelter cleans**
- **8,041 seat cleans**

Operations

A year in review – 1 July 2024 to 30 June 2025

Street trees

The below stats are as of May 2025. Please note that we don't receive the annual report from our contractor until mid-July so the full year's figures will be slightly more than the numbers stated below.

Our street trees programme for the last year (as of May 2025) included:

- **2,675** prunings
- **1,852** power line specific prunings
- **2,913** reactive (service requests)
- **98** plantings*
- **500** tree removals

* The planting season is from May to August, so these figures will increase as we complete our programme.

Road corridor access

Over the last year we received 4,220 requests from various agencies and businesses to access the road corridor to complete their works. We also processed 1,982 work completion notices.

Safety improvements

New traffic signals at Church Corner

Improvements at the intersection of Yaldhurst Road, Riccarton Road and Main South Road were completed in late May.

These improvements will make it safer and easier for everyone to use this intersection – whether driving, walking, biking, scooting or catching the bus.

We installed traffic lights at the intersection, which will help to help reduce the risk of a crash for people turning right. This retains the left and right hand turns from Main South Road to Riccarton and Yaldhurst roads.

We've also added marked cycle lanes, a signalised pedestrian and cycle crossing, a short section of bus lane on Riccarton Road, and speed humps on all approaches to the intersection.

Community feedback to Mayor Phil Mauger

Dear Phil,

I wanted to thank you, the councillors, the planners, and workers for the new lights at church corner. I was aware of the many accidents there. I walk, bike and drive through the corner daily and it's much improved.

Please pass on my thanks to all concerned.

– A member of the local community

Safety improvements (continued)

Image courtesy of Isaac Construction Ltd.

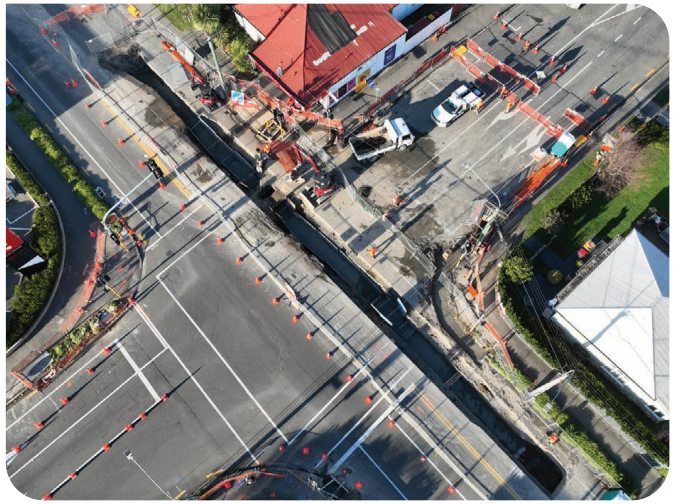


Image courtesy of Isaac Construction Ltd.

Spotlight project: Working alongside Orion NZ on Milton Street

We've been working alongside Orion NZ – Waitaha Canterbury's lines company – to upgrade the traffic signals at the intersections of Milton Street/Selwyn Street and Milton Street/Barrington Street/Frankleigh Street.

The traffic signals at these intersections were at the end of their service life and needed to be replaced. Our staff identified an opportunity to work alongside Orion to complete this work while they install an underground 66kV power cable at these intersections.

Pedestrian protection has also been introduced at the intersections – these are red arrow displays to hold back turning traffic while pedestrians are using the crossings. This will help to improve safety for tamariki-children travelling to and from Christchurch South Karamata Intermediate School, and residents travelling to the Barrington shops.

Orion NZ has been working in the area since late April this year, installing a new cable that will run between the Milton Substation and the Halswell Substation on Sparks Road. This important work is adding strength and resilience to our electricity network.

This coordinated effort between our Council teams, Orion NZ, and Isaac Construction Ltd made the most of the existing traffic management on Milton Street, which helped to reduce disruption for the people who live in or travel through this area.

Image courtesy of Orion NZ

Strategy and planning – Ōtautahi Christchurch Future Transport 2024–25

Our 30-year strategy for getting around

Ōtautahi Christchurch Future Transport 2024–54 was adopted by the elected Council in March 2025. The strategy outlines our high-level direction for transport for the next three decades and is driven by the following vision:

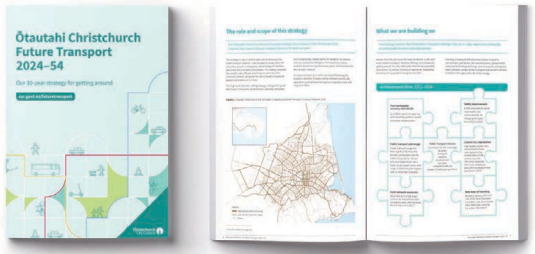
Our transport network shapes and connects Ōtautahi-Christchurch and Te Pātaka-o-Rākaihautū Banks Peninsula.

It enables everyone to move around safely, reliably and efficiently.

It is central to a more vibrant, prosperous, and climate-resilient future for our district.

The strategy sets out six transport goals to achieve this vision, including:

1. Continuously improving the way we look after our transport network assets.
2. Developing a more climate-resilient and adaptive transport network.
3. Ensuring everyone can travel safely.
4. Enhancing productivity, economic growth and essential travel through free flowing and efficient movement.
5. Providing genuine transport choices for everyone.
6. Creating a vibrant, healthy, and liveable city as we grow.



Behind the scenes of creating a business case

While our transport budget is shaped through our Annual Plan and Long Term Plan processes, delivering a resilient and future-proofed transport network also depends on securing funding from the National Land Transport Fund (NLTF). Any request for funding through the NLTF needs to be supported by a business case.

Here's a look at what's involved in putting a business case together.

Overview

NZ Transport Agency Waka Kotahi (NZTA) uses the Business Case Approach (BCA) to guide their planning, investment and project development processes. The Point of Entry process is the first formal engagement with NZTA. It confirms the appropriate business case pathway and ensures early alignment with government priorities, stakeholders, and funding expectations.

As a principles-based approach, the BCA is guided by the following core principles:

- Early and ongoing engagement with stakeholders, including iwi/Māori
- Fit-for-purpose effort proportionate to the size, complexity and risk of the investment
- Evidence-based decision making
- Clarity about problems, benefits, and outcomes
- Focus on public value.

There are three steps that are required when developing a business case. What changes from one business case to another is the level of detail needed to complete each step:

1. The case for change
2. Optioneering
3. Refining the preferred option. These steps form the basis of every business case. They are developed a step at a time, using the five-case model as a framework.

The five-case model

1. **Strategic case:** Making the case for change and demonstrating strategic fit. This involves understanding existing arrangements, problems, opportunities, required organisational capabilities, benefits, risks, constraints, and community values and aspirations.
2. **Economic case:** Identifying the proposal that delivers the best public value to society. This involves arriving at a shortlist of options that meet the investment objectives and critical success factors, and demonstrating how the options represent best value.

   Optioneering spans across multiple cases, not just economic – it informs strategic alignment, commercial viability and delivery feasibility.
3. **Commercial case:** Demonstrating that the preferred option will result in a well-structured deal between the public sector and service providers.

   This involves understanding the marketplace, assessing what's achievable, and researching procurement routes that will deliver best value.
4. **Financial Case:** Demonstrating the affordability and fundability of the preferred option, which requires a clear understanding of capital, revenue, and whole-of-life costs, an outline of the financial impacts on balance sheet, income, and pricing, and securing the support of stakeholders and customers where required.
5. **Management Case:** Demonstrating robust arrangements for delivery, monitoring, evaluation and benefits realisation. This includes providing evidence of best-practice management, ensuring plans are in place for independent assurance and robust governance, and outlining post-implementation review processes.

Image credit: NZTA

Behind the scenes of creating a business case (continued)

Business case assessment

There are 16 business case assessment questions used by the NZTA Investment Advisor to assess the business case at the end of each phase.

Not all questions must be answered at every phase, but as the business case progresses, more questions are expected to be addressed.

These questions are split into problem, benefit, strategic response and solution and include:

- Is it clear what the problem is that needs to be addressed (both the cause and the effect)?
- Does the problem need to be addressed at this time?
- Have the benefits that will result from fixing the problem been adequately defined?
- Are the benefits of high value to the organisation (furthering its objectives)?
- Have a sufficient range of strategic alternatives and options been explored (demand, productivity and supply)?
- Can the solution really be delivered (costs, risks, timeframes, governance etc)?

Investment prioritisation

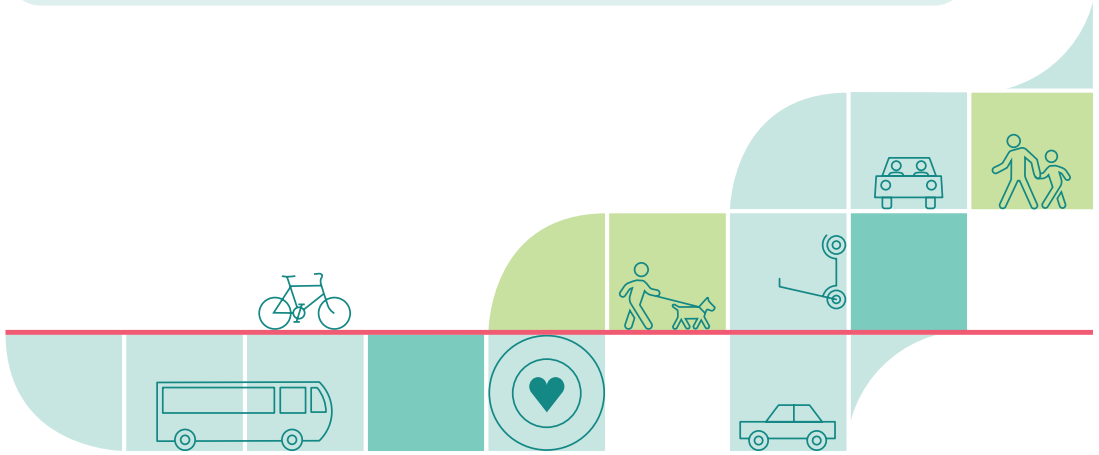
NZTA uses the Investment Prioritisation Method (IPM) to prioritise investments proposed for inclusion in the NLTP. The IPM gives effect to the government's strategic priorities set out in the Government Policy Statement on Land Transport (GPS).

The IPM considers:

- GPS alignment – how the project contributes to achieving GPS priorities
- Scheduling – critical timing or interdependencies with other projects
- Efficiency – contribution to outcomes relative to costs, including monetised and non-monetised benefits

The decision to provide NLTF co-investment is made by the Value, Outcomes and Standards Committee (VOS) or the NZTA Board, depending on project size. An NZTA Investment Advisor prepares a report that evaluates the business case against the 16 assessment questions and addresses alignment with the IPM.

Once a business case is approved, the project can then be included in the NLTP and proceed to delivery.

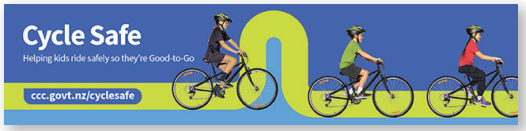


Community-focused safety programmes and initiatives

A year in review – 1 July 2024 to 30 June 2025

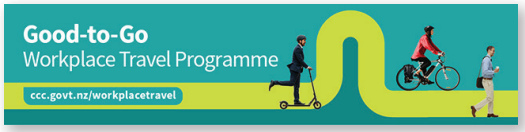
Good-to-Go School Travel Programme

- **81 schools** joined the programme
- **184 schools** participated in Walk or Wheel to School (October 2024 and March 2025)
- **9,022 students** have participated in travel workshops to date
- We are developing a secondary schools programme, based on a research report by Mackie Research
- Our pilot 'In the truck driver's seat' workshop was delivered to **287 year 7 and 8 students** at Hillmorton High School. It was so well-received that it has now become one of our core **workshops** on offer.



Good-to-Go Cycle Safe Programme

- **89 schools** joined
- **3,634 students** participated
- **100% satisfaction** reported.



Good-to-Go Workplace Travel Programme

- **30 workplaces** joined the programme
- **576 Metrocards** given out
- **4,026 people** received travel planning advice.

Community-focused safety programmes and initiatives

A year in review – 1 July 2024 to 30 June 2025

Ride your Way campaign results

254%
increase in visits
to our online bike map

51%
increase in views
of the Cycling webpage

5.7%
increase in subscribers
to our Cycling newsletter

1.8%
year-on-year increase
in cycle counts

Community-focused safety programmes and initiatives (continued)

Spotlight: Good-to-Go school travel programme

Tamariki shape safer streets around their schools

Recently the School Travel Planning Assistants in our Travel Demand Management team had the opportunity to work with three local schools: Knights Stream School Mingimingi Hautoa, Oaklands Te Kura o Ōwaka and Te Kura o te Tauawa Halswell School.

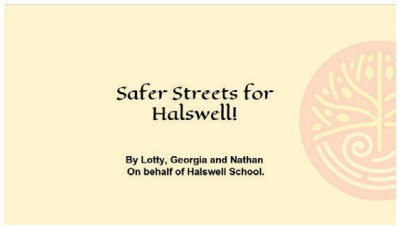
They've been working closely with a group of students from each school to support them in creating a presentation to take to the Waipuna Halswell-Hornby-Riccarton Community Board. The focus was on the proposed road upgrades for the Halswell area surrounding these schools.

On Thursday 12 June, students from all three schools each presented a compelling 5-minute presentation highlighting the reasons why these proposed changes should go ahead. Sharing their thoughts, concerns, and ideas about how these changes will have a positive impact on the safety of the students and the wider community.

It was an awesome opportunity for students to participate in a local decision-making process, and to make their voices heard on an issue that impacts them and their communities.

The community board approved some of these road upgrades at their meeting on Thursday 10 July 2025. Construction is expected to begin in late 2025 or early 2026, with the work being funded from the Minor Road Safety Programme.

Student leaders from Oaklands Te Kura o Ōwaka present to the Waipuna Halswell-Hornby-Riccarton Community Board.



Three schools each made a presentation to the community board meeting, sharing their thoughts, concerns, and ideas on the proposed road upgrades for the Halswell area.

Community-focused safety programmes and initiatives (continued)

Spotlight: Good-to-Go school travel programme

A creative student-led video to tackle school gate safety

A group of passionate student leaders from New Brighton Catholic School have taken a stand on road safety at their school gate, as part of our Good-to-Go school travel programme's Making a Change workshop.

The workshop, designed to empower students to raise awareness and drive change, guided the group through a hands-on project where they created a video campaign. The students were determined to address road safety risks around their school, and chose to focus their project on promoting safer behaviours at the school gate.

Throughout the process the students:

- Identified the issue and proposed solutions
- Defined their target audience
- Assigned themselves roles, such as scriptwriter, director, editor, actor, props manager, and promoter
- Created a timeline to manage their project from concept to completion.

Our School Travel Planning Assistants visited the students three times during the project, to provide advice and encouragement, help the students shape their storyboard and roles, and view the final video and suggest any edits.

The result? A powerful and engaging road safety video created by the students, which has since been shared with the wider community. Their video not only showcases the students' creativity and teamwork but also delivers an important message. This project is an awesome example of how student leaders can tackle issues within their community.

Ka pai to the students for their dedication and to everyone involved in supporting this initiative!

Watch New Brighton Catholic School's awesome road safety video **here**.

youtube.com/watch?v=s7-jTH7tyJs

Our Travel Planning Assistants deliver nine types of travel safety workshops across years 0–8. Learn more about the Good–to–go school travel programme **here**.

Hearing from our residents

Citizen and Customer Services

13,021 service requests for transport-related incidents

77% of these were resolved within our service level agreement

6,556 (50%) of these requests came via Snap Send Solve.

Engagement

We received **1,305 submissions** across **11 consultations** relating to transport that closed during this period.

The top three consultation pages were:

1. **Moorhouse Avenue pedestrian safety improvements** 2,919 webpage views, 191 submissions and 374 quick polls
2. **Hornby intersections – Amyes, Awatea, Springs roads** 1,520 webpage views, 400 submissions
3. **Halswell Schools safety improvements programme** 1,008 webpage views, 188 submissions

During this period, we had a total of **40,808 views** across our consultation webpages, noting that transport consultations tend to make up just under half of all consultations.

Moorhouse Avenue, Waltham Road and Barbadoes Street intersection – March 2025.

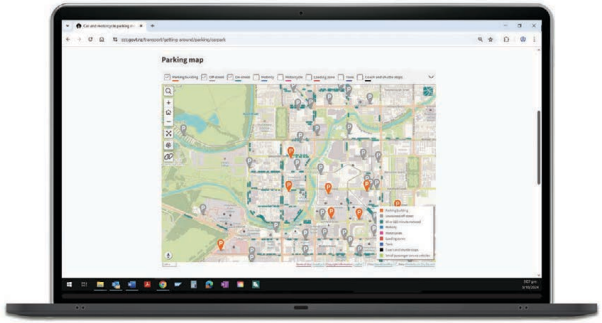
Reaching our communities

Webpage views

Of the **2,509,831 total views** across the Council's website over the quarter, **177,154 (7.06%) were views of our transport webpages.**

The top **5** pages were:

1. **Car and motorcycle parking map** 30,045 views (holding the top spot for the fourth quarter in a row)
2. **Christchurch bike map** 21,282 views (thanks to our popular Ride Your Way campaign)
3. **Safety improvements in Upper Riccarton** 11,410 views
4. **Mountain bike tracks status** 8,837 views (a new spot for this page – thanks to the intrepid mountain bikers among us!)
5. **Work in your area** – a register and map of active start works notices.



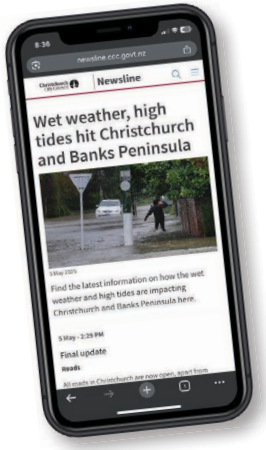
Newsline stories

We published **11** Newsline stories about transport

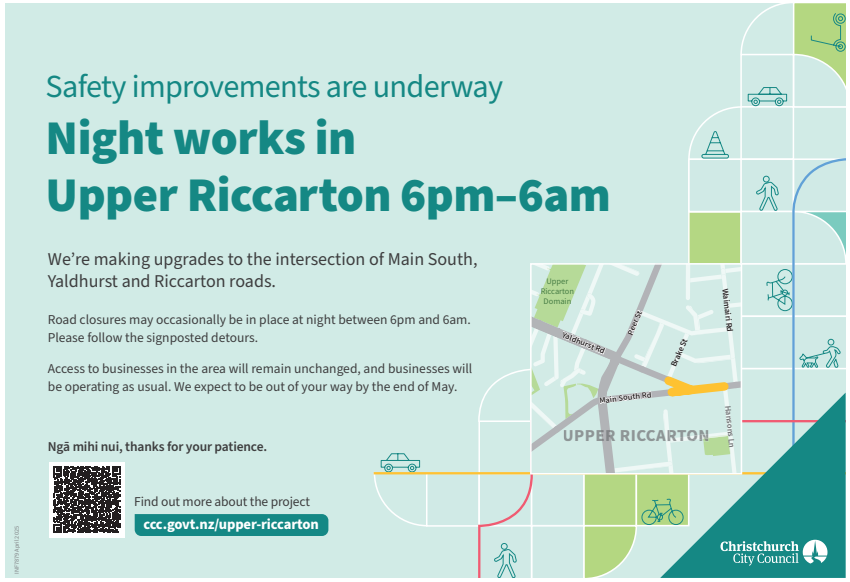
This represented **10%** of all Newsline stories from this period.

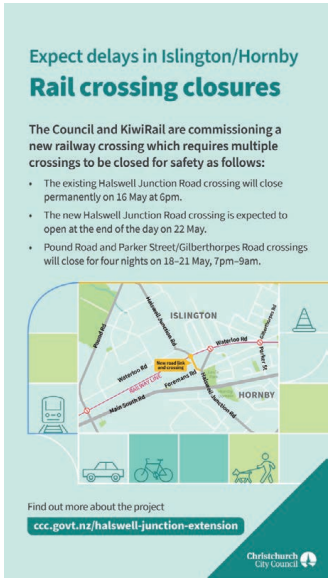
The top **3** stories were:

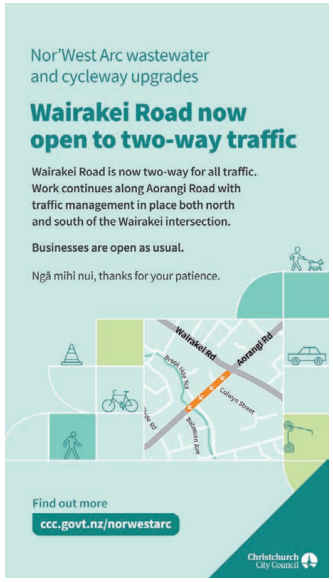
1. **Wet weather, high tides hit Christchurch and Banks Peninsula**
2. **Construction to begin at Church Corner intersection**
3. **Railway crossing closures in Hornby for new road link.**

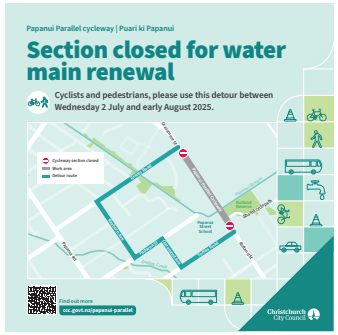


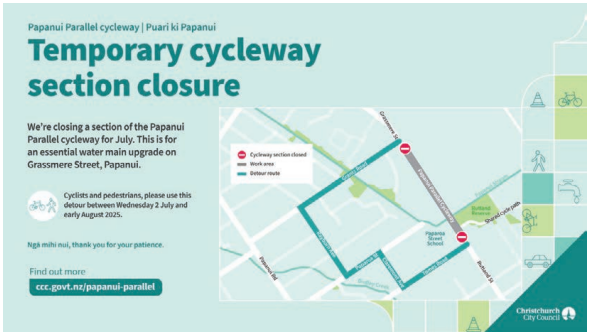
Keeping the community informed











INF8056 August 2025

3. Council submission - Local Government (System Improvements) Amendment Bill

Reference Te Tohutoro: 25/1477388

Presenter(s) Te Kaipāhō : Tom Lee, Principal Policy Advisor

1. Detail Te Whakamahuki

Purpose and Origin	• The Governance and Administration Select Committee is calling for submissions on the Local Government (System Improvements) Amendment Bill (the Bill). Submissions are due on Wednesday 27 August 2025. • Staff will provide Councillors with an overview of the proposed approach to the submission on the Bill. Councillors will have an opportunity to provide input into the submission.
Timing	This information session is expected to last for 30 minutes.
Outcome Sought	Councillor feedback on the Bill for the draft submission.
ELT Consideration	The Chief Executive has approved the proposed submission approach.
Next Steps	Staff will circulate the draft submission to Councillors for their written feedback after the workshop. A drop-in session with Councillors is booked for Thursday 14 August 2025 and Councillors' feedback is also due on that date (14 August). The final draft submission will be brought to the Finance and Performance Committee for the Council's approval on Wednesday 27 August 2025. Subject to approval, the submission will then be lodged to the Governance and Administration Select Committee.

Key points / Background	• The Bill was introduced on 15 July and was read for a first time and referred to select committee for public consultation on 17 July 2025. Submissions are due on Wednesday 27 August 2025.
	• The objective of the Bill is to address cost of living concerns as rates are seen as a driver for household inflation. The Government is concerned that rates rises are being exacerbated by a lack of fiscal discipline among councils.
	• The Bill intends to:
	  ○ refocus the purpose of local government
	  ○ prioritise core services in council spending
	  ○ better measure and publicise council performance
	  ○ strengthen council transparency and accountability
	  ○ provide regulatory relief to councils.
	• The Bill does not include a rates peg/cap however, the Bill aims to encourage the financial management principles that a rates peg system would foster. The Bill's

	explanatory note signals the intent for a rates peg policy and the government is actively working on this.
Useful Links	• Local Government (System Improvements) Amendment Bill

Attachments Ngā Tāpirihanga

There are no attachments to this coversheet.

Signatories Ngā Kaiwaitohu

Authors	Sharna O'Neil - Policy Analyst Thomas Lee - Principal Policy Advisor
Approved By	David Griffiths - Head of Strategic Policy & Resilience John Higgins - General Manager Strategy, Planning & Regulatory Services

Item 4

4. Local Water Done Well: Water Services Delivery Plan Update

Reference Te Tohutoro: 25/1205252

Presenter(s) Te Kaipāhō : Gavin Hutchison, Head of Three Waters

1. Detail Te Whakamahuki

Purpose and Origin	• Provide elected members an overview of the Water Services Delivery Plan (WSDP) ahead of the Council meeting to seek Council adoption of the WSDP and Council approval to submit the WSDP to the Secretary for Local Government for review and acceptance
Timing	This information session is expected to last for 30 minutes.
Outcome Sought	• Elected members gain a clear understanding of the Water Services Delivery Plan • Elected members have the opportunity to seek clarification, ask questions, and address any concerns in preparation for the formal Council meeting.
ELT Consideration	N/A
Next Steps	• Feedback from this session will inform any additional information required for the formal meeting. • Council meeting to seek the formal approval of WSDP adoption and submission • WSDP certification by the Chief Executive that the WSDP complies with the Local Government (Water Services Preliminary Arrangements) Act 2024, and the information contained in the WSDP is true and accurate.

Key points / Background	• The Local Government (Water Services Preliminary Arrangements) Act 2024 (the Act) requires the Council to develop a WSDP
	• The WSDP must detail the current state of water services and demonstrate publicly the Council's commitment to deliver water services in a way that:
	  ○ ensures it will meet all relevant regulatory quality standards; and
	  ○ is financially sustainable by 30 June 2028; and
	  ○ ensures it will meet all drinking water quality standards; and
	  ○ supports its housing growth and urban development as specified in its long-term plan.
	• The WSDP also outlines the selected service delivery model, infrastructure investment needs, and financial and operational strategies.
	• Councils must submit the WSDP to the DIA by 3rd September 2025.
	• The WSDP follows a template provided by the DIA. Please note that the "grey" prompts in the draft WSDP were included by the DIA. These prompts will need to be deleted before submission and replaced with the appropriate headings or statements.

Useful Links	N/A

Attachments Ngā Tāpirihanga

No.	Title	Reference	Page
A	250805 Water-Services-Delivery-Plan_LATEST DRAFT	25/1572755	37

Signatories Ngā Kaiwaitohu

Authors	Gavin Hutchison - Head of Three Waters Parul Sharma - Project Manager
Approved By	Brent Smith - General Manager City Infrastructure

Sensitivity: General

Water Services Delivery Plan

September 2025

Sensitivity: General

How to populate this Water Services Delivery Plan template

The intent of this Water Services Delivery Plan template (Plan template) is to support councils to prepare Water Services Delivery Plans ('Plan(s)'), as required by the Local Government (Water Services Preliminary Arrangements) Act 2024 (Act). The Act requires councils to prepare Plans that:

- *Identify the current state of the council's water services;*
- *Demonstrate publicly the council's commitment to deliver water services in a way that:*
  - *Ensures that the council will meet all relevant regulatory quality standards for its water services;*
  - *Is financially sustainable for the council;*
  - *Ensures the council will meet all drinking water quality standards; and*
  - *Supports the council's housing growth and urban development, as specified in the council's Long-Term Plan.*

This Plan template includes explanations of the specific information required under the Act, the type of information that could be provided to demonstrate compliance with the content requirements for the Plans under the Act, and the Department of Internal Affairs' ('the Department(s)') general expectation as to the level of detail to be provided. Please note that these explanations do not constitute legal advice and councils should consider obtaining their own independent legal advice before submitting their Plans. The information needed to be able to complete the Plan should be sourced from existing council documents, such as the Long-Term Plan. Councils who require further information and/or support to prepare their Plans should contact the Department at wdsp@dia.govt.nz.

Please delete these explanations once each section has been completed.

***A Financial Plan Template [available at www.dia.govt.nz/Water-Services-Policy-Water-Services-Delivery-Plans] has also been provided to assist councils to populate financial data for financial projections, financial sustainability metrics and other financial disclosures.** The Department can provide councils with a Financial Projections template populated with publicly available information based on 2024-34 Long-Term Plan information on request. The projected financial statements are special purpose financial statements for the purpose of PBE FRS 42 – Prospective Financial Statements.*

Process guidance matters related to the preparation and submission of the Plans is available at www.dia.govt.nz/Water-Services-Policy-Water-Services-Delivery-Plans

***Joint Plans:** Part A of this Plan template includes additional guidance for information requirements in joint Plans. Councils who are proposing to submit joint Plan should contact the Department.*

Sensitivity: General

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Sensitivity: General

Sensitivity: General

Key Definitions

Council	Relating to the wider Christchurch City Council (CCC)
Water Services Business Unit	Water Services Delivery department within Christchurch City Council.
Water supply network	Infrastructure & processes to provide drinking water (or firefighting water supply).
Wastewater network	Infrastructure & processes to collect, store, transmit, treat or discharge wastewater.
Stormwater network	Infrastructure & processes to collect, treat, drain, reuse or discharge stormwater.
Water services Delivery Plan	This Report – Outline on how water services will be delivered and be financially sustainable by 30 June 2028. Outcome from Local Water Done Well.
Years of Water Services Delivery Plan	This period refers to the 10 year period from FY2024/2025 to FY2034/2035
Local Water Done Well	New Zealand government reform on delivery of water infrastructure.
Local Government (Water Services) Bill	A new regulatory framework requiring councils to provide financially sustainable, safe and reliable water services.
Long Term Plan (LTP)	The 2024-2034 Long Term Plan, unless another year is noted.
Asset Management Plans (AMP)	The 2024-2034 Asset Management Plan, unless another year is noted.
Activity Plans	The 2024-2034 Activity Plan LTP, unless another year is noted.
Financial ledger	A financial ledger, also called a general ledger, is a record of a business's (or in this case, Council's) financial transactions. It summarises all the revenue and expenses of the business, plus the debts owed and assets owned.

Sensitivity: General

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

i Statement that water services delivery is financially sustainable

Statement that water services delivery is financially sustainable

Financially sustainable water services provision

The purpose of this section is to summarise how the Plan will ensure that water services will be delivered in a financially sustainable manner, by 30 June 2028 at the latest.

This requires confirmation that the Plan ensures water services delivery will meet the Financially Sustainable delivery assessment in Part D of the Plan template.

It is recommended that this section includes commentary (from Part D) on:

- *Transitional arrangements to ensure financially sustainable water services provision by 30 June 2028;*
- *Revenue requirements to meet costs of water services delivery over the Plan period;*
- *The proposed levels of investment required over the Plan period; and*
- *Funding and financing arrangements to deliver the proposed levels of investment.*

Christchurch City Council will remain delivering water services solely in-house with the projected water services funding and financing sufficient to meet the 'financing sufficiency' requirement by 30 June 2028.

Specifically in the years outlined in the Water Service Delivery Plan:

- Christchurch City Council can afford day to day operations with projected water services revenues exceeding operating costs with a growing positive operating surplus ratio and positive operating cash ratio. This achievement in the operating surplus ratio is largely due to the Christchurch City Council's strategy to increase to 100% rating renewals capital expenditure by 2032. The Council's water services operating cash ratio is sufficient to meet the Council's water services investment requirements and meet scheduled debt repayments.
- The proposed level of investment is fully funded by projected revenues and access to financing, to meet the levels of service, regulatory requirements and provide for growth. Council has a large capital programme planned to meet regulatory requirements, level of service and improve the quality of waterways. This ensures a resilient, efficient, and sustainable infrastructure system for Christchurch. The water services asset investment ratio remains positive, demonstrating the capital investment each year in water services infrastructural assets exceeds the incurred depreciation expense.
- Christchurch City Council's projected water services funding and financing is sufficient to meet the required investment needed. Projected borrowings are within the borrowing limits and maintain sufficient debt headroom to continue the ability to borrow in response to a disaster or unforeseen significant events. Along with rating for renewals, council are in a strong position to finance its proposed capital and renewal works.
- Christchurch City Council does not require any significant transitional arrangements or changes to achieve financial sustainability. The budgets, revenues and costs (both operational and capital) associated with water services are separately identifiable within the existing financial system structures, additional reporting will need to be undertaken to ensure this is appropriately accessible to the community.

Sensitivity: General

ii Proposed delivery model

Proposed model to deliver financially sustainable water services

1. The proposed model to deliver water services

The purpose of this section is to succinctly describe the proposed delivery model, or arrangements for the future delivery of water services (including organisation structure, ownership and contractual arrangements).

Councils will need to describe the anticipated or proposed model or arrangements in sufficient detail to enable an implementation plan to be developed and address the related sections regarding how the proposed model will impact regulatory compliance and financial projections.

In explaining how water services are proposed to be delivered, the Plan must set out:

- *The anticipated or proposed model or arrangements for delivering water services (including, whether the council or councils will continue to deliver water services in its district alone, or intends to enter a joint arrangement);*

Christchurch City Councils arrangements to deliver water services in the future allow Council to implement various improvements to ensure Council meet regulatory compliance and financial sufficiency. Changes to the structure, ownership and contractual arrangements will be implemented to guarantee Council will continue delivering water services to a high level and ensure financial sufficiency by 30 June 2028.

1.1. Proposed Model

Christchurch City Council will remain delivering water services solely in-house. Water Supply, wastewater, stormwater and flood protection will be delivered by the Water Services Business Unit. Council have changed the name of this service unit from Three Waters.

Under this model Council will continue to deliver high quality service to ratepayers and support integrated infrastructure planning to the wider Council. The rationale for selecting an in-house model is detailed in Section 1.3.

Operating as an in-house unit, the Water Services Business Unit will continue to work under the existing Council plans, strategies, polices, procedures and bylaws (where appropriate). A full review will be undertaken and where required will be updated to reflect the new framework.

- *The following matters may also be included in this section*
  - *Why the proposed delivery model was selected and the benefits of this model;*

1.2. Why delivery model was selected

Council completed an Indicative Business Case to evaluate the potential models for the delivery of water services in Christchurch. The models evaluated in detail were:

- An In-House Delivery Model
- A Three Waters Water Services Council Controlled Organisation (WSCCO), and
- A Two Waters Water Services Council Controlled Organisation (WSCCO)

Council assessed each model against key criteria: Value to Ratepayers, Regulatory Compliance, Financial Agility, Service Delivery and Operations, Governance and Control, Community Expectations and Engagement, and Implementation Feasibility.

The purpose of the assessment was to identify a proposed model for public consultation, along with alternative options, to ensure informed decision-making and alignment with Christchurch's strategic priorities and community needs.

The analysis showed that while all three models could meet the Government's financial and regulatory requirements, the in-house model scored highest overall, primarily due to its stability, lower transition risks, and close alignment with Christchurch's existing systems and strategic direction. The Council decided to consult on the three models outlined above, with the in-house model as its proposal.

Sensitivity: General

Public consultation was undertaken from 7 March to 6 April 2025, followed by hearings on 15 April 2025. The Council used the alternative consultation procedure provided under the *Local Government (Water Services Preliminary Arrangements) Act 2024*.

The majority of submitters (80%, 487/612) supported the Council's proposal of an In-House Delivery Model. Submitters provided a range of feedback but generally indicated that this model best addressed concerns about governance and control of Christchurch's water services and assets. Many emphasised the value they place on the ability to have a say in how water services are managed, stating that an in-house model enables stronger community involvement and accountability through elected representatives.

The Council adopted the in-house model to be included in this plan:

- As it scored the highest across the business case evaluation framework, particularly in areas such as governance and control, community expectations, value to ratepayers, and implementation feasibility. It also demonstrated strong performance in financial sustainability and regulatory compliance, confirming its ability to meet the requirements of the Local Water Done Well framework without introducing unnecessary complexity or risk.
- Public consultation showed overwhelming support for the In-House Model, with 80% of submitters identifying it as their preferred option. This is a significant majority, with submitters consistently referencing the importance of maintaining elected member accountability, avoiding the costs of structural change, and ensuring alignment with local values and priorities.
- The model aligns well with Christchurch's existing approach to water service delivery. It builds on well-established operational systems, governance structures, and relationships – both within the Council and with the community. It maintains integration with other Council activities such as land use planning, flood management, parks, and transport, which is increasingly important given the interdependencies between stormwater, climate resilience, and urban development
- While the model does not offer the same borrowing capacity as a WSCCO (capped at 280% of revenue), Council is currently in a strong financial position, and modelling indicates this borrowing headroom is sufficient to meet forecast investment needs. The model avoids the upfront establishment and transition costs associated with setting up a new legal entity, which would otherwise place additional pressure on operating and capital budgets.
- Council retains full flexibility to adjust its in-house approach to water service delivery over time as community needs, financial conditions, or regulatory settings evolve. This includes the ability to refine internal governance and delivery structures, explore shared services or partnerships, and adapt resourcing or operational models without requiring major structural change. Council also maintains direct control over pricing and investment decisions, ensuring that water services can continue to reflect local priorities and respond to emerging challenges.
- Adopting the in-house model does not preclude the Council from considering a WSCCO or other more significant structural changes in the future. Once the WSDP is in place and the national regulatory and funding environment has stabilised, Council will be better positioned to assess alternative models with greater clarity. This approach avoids the risks of premature or unnecessary structural change in a volatile setting, while preserving the ability to make considered, evidence-based decisions at the appropriate time.

The In-House Delivery Model provides the following key benefits:

- This model retains Council governance, and operational responsibility for all water services – water supply, wastewater, and stormwater. It maintains integration with other Council services and leverages existing systems, processes, and relationships.
- Maintains direct accountability to the community through elected representatives.
- Utilises existing Council systems, reducing transition risks and administrative disruption.
- Avoids significant establishment and transaction costs associated with setting up a new legal entity.
- Council retains full flexibility to adjust its approach to water services delivery over time as community needs, financial conditions, or regulatory settings evolve.
- Preserves flexibility over funding tools and pricing structures (e.g. Council can choose to continue with targeted rates or transition to non-rates-based method of charging).
- Strong alignment with community expectations based on consultation feedback.

Sensitivity: General

1.3. Treaty Relationships

The Council's engagement and relationships with Māori are founded on te Tiriti o Waitangi as well as subsequent legislation such as the Local Government Act 2002, the Resource Management Act 1991 and Te Rūnanga o Ngāi Tahu Claims Settlement Act 1998.

We recognise the takiwā of Ngāi Tūāhuriri Rūnanga, Te Hapū o Ngāti Wheke, Te Rūnanga o Koukourārata, Ōnuku Rūnanga, Wairewa Rūnanga, and Te Taumutu Rūnanga within our district. Since 2015, the relationship anchored by the Te Hononga Council – Papatipu Rūnanga Committee ensures both governance and ongoing kōrero between the Council and the rūnanga.

The Council's partnership with Ngā Papatipu Rūnanga ensures that the views and values of Māori are considered across Council activities as we make decisions about the city, its resources and the environment. Land, water (all forms) and the natural environment are of significant cultural value for Māori and are mutual areas of interest for manawhenua and the Council.

In light of this, staff consider there is a need to strengthen partnership approaches and support more collaborative implementation of the Water Serviced Delivery Plan. The flexibility offered by the in-house delivery model allows for continuous improvement, and there is scope to work alongside Mana Whenua to embed inclusive governance practices, reflect mātauranga Māori where appropriate, and ensure locally responsive water management. As implementation progresses, staff recommend that ongoing engagement supports shared problem-solving and helps build enduring relationships that improve outcomes for water, people, and place. Staff will consult with Mana Whenua on the future Governance for the Council Water Services.

1.4. Structure

As it currently functions, the Water Services Business Unit will continue to operate as part of Council, looking after water supply, wastewater, stormwater and flood protection. The Water Services Business unit will continue to manage both water take and water discharge as well as with treatment of drinking water and wastewater. Flood protection will be delivered by the in-house Water Services Business Unit but will not be financially ringfenced.

To comply with the regulatory requirements, water services will be financially ringfenced from other Council activities by ensuring all water services transactions recorded are separately identifiable within the Council's cost and budget ledger, ensuring each water service can be independently reported, and revenues and budgets associated with water services can only be applied to the related water service.

To comply with regulatory requirements the unit will be financially ringfenced from other Council activities as outlined in Part A Section 1.6 and in further detail in Part C Section 1.2.

Refer to Figure 1 below for the proposed functional structure for the Water Services Business Unit.

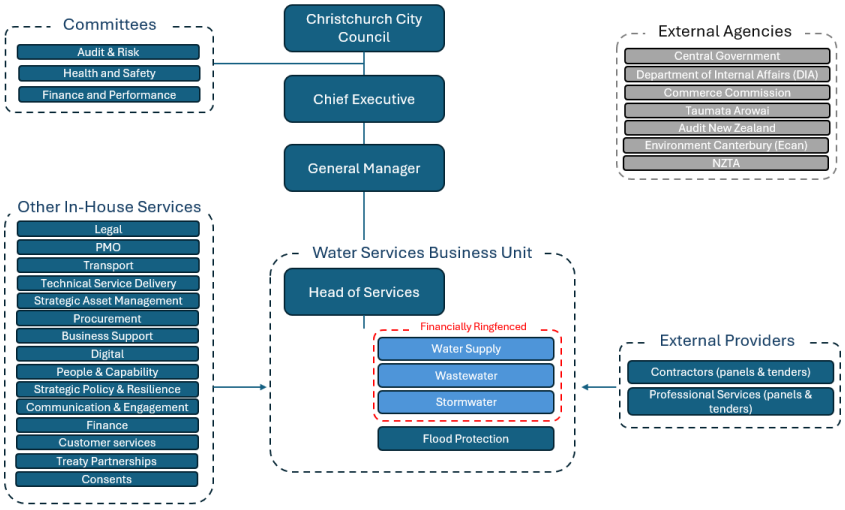

Figure 1 – Functional structure for delivery of water services within Christchurch City Council

Sensitivity: General

Governance

Governance for the Water Services Business Unit will be through the existing Council governance structure. A review will be undertaken in the second quarter of 2026 to consider whether any changes to the governance arrangements are required to implement the new requirements of the *Local Government (Water Services) Bill* and other reform. Staff will report to Council with a recommendation for the future water services governance.

Operating Structure

There are currently 209 FTE's in the current Water Services Business unit. Work is currently being undertaken to develop a water services Operating Model. The Water Services Business Unit operating model is how Christchurch City Council supports strategic planning, delivery prioritisation and investment decisions for water supply, wastewater, and stormwater services. Councils water services have grown rapidly, and so have the complexity, risks and coordination challenges. The intent of the operating model is that it will give everyone clarity from frontline to leadership; about roles, processes and decision making. At its core, it connects key areas such as planning, asset management, operations & maintenance, service delivery, and continuous improvement with the resources and governance needed to support them. As part of continuous improvement, this approach enables the council to lay the foundation for continuous improvement, make informed decisions, ensure compliance with regulatory requirements and build future resilience.

Following completion of the operating model, the Water Services Business Unit organisation chart will be assessed alongside the requirements of *Local Government (Water Services) Bill*. If there are proposed changes to the existing structure, a business case and change proposal will be developed.

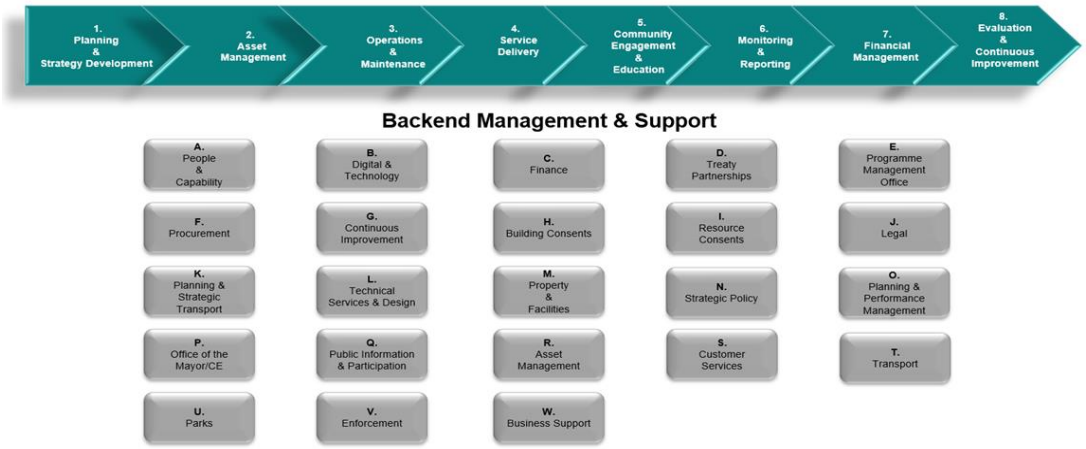

Figure 2 – Operating model

The model shown in Figure 1, applies a structured process to every part of the water services value chain outlining Level 1 of the Business Process Taxonomy Framework showing how we plan, deliver, manage and improve our services. Council has gone further, creating a level of detail down to Levels 2 and 3. This degree of detail describes the individual tasks under each of these processes along with the responsibility and roles that backend management are required to support as per the agreement with each supporting department. This included confirming the Relationship Agreements with each of the various supporting departments to ensure there is no gap between expected and available support. The model applies a structured process taxonomy to map every part of the water services value chain – from planning and operations to performance and improvement. By implementing this operating model, it provides Council and the Water Services Business Unit with the following:

- Transparency – clarity on how the Water Services Business Unit operates from end to end.
- Alignment – reduced silos between functions ensuring Council meet consumer expectations.
- Regulatory assurance – meet all regulatory requirements and providing safe drinking water
- Investment confidence – delivery services in a cost-effective and financially sustainable manner
- Performance insight – best practice, Level of Service tracking, continuous feedback, benchmarking & reporting

Through the process, if any service gaps or changes are required, business cases will be developed and funding included in the Water Services Strategy, with implementation post FY2028.

Relationship agreements (Service level agreements)

Part of implementing this operating model involves re-evaluating the expected support required from other business lines within Council. In the past this has occurred as part of business as usual where support teams have supported when needed. To improve the efficiency, transparency, and cost-effectiveness of delivering water services in the future, Council will implement Service Level Agreements (SLAs) to formalise the service levels that the Water Service Business unit requires from each of the support business lines. An agreement to use existing overhead allocations is in place for the initial period but further work is required to assess how the pricing model should better align with the deliverables and SLAs to ensure transparency of funds transferred from the Water Services Business Unit.

- *Proposed revenue collection methods, how charges are set and how revenues will cover the costs of service provision.*

1.5. Revenue collection methods

Council will continue to create the majority of its revenue from council rates as well as contributions from development fees. Council has two different rate charges, general and targeted rates, which it passes onto the consumer. General rates are based on capital value of the property and is mostly used to manage council debt repayments. Targeted rates enhance the transparency of councils spending and benefit those that have connections to water supply, wastewater and stormwater.

There will be minor changes due to clarity being provided of the amount of the general rate that is applied to water services and improved accuracy of the finance costs allocated to water services incurring targeted rates. Part of this strategy is fully funding Councils renewal programmes from rates to 100% of the long run average renewals by 2032 which is key element in achieving a balanced budget and financially delivering our water services sustainably. For further information on revenue collected by Council refer to Part C Section 2.2.

- *How water services revenues will be ringfenced as separate and distinct from other council business.*

1.6. Ringfencing revenues

The revenues generated by the Water Services Business Unit services will be isolated and ringfenced from other Council revenues by using cost objects and hierarchies to ensure they are separately identifiable within the Council's cost and budget ledgers, which will be separate each of the water service activities. Flood protection will be delivered by the in-house Water Services Business Unit but will not be financially ringfenced. The implementation of this will occur in a staged approach, ensuring correct frameworks and financial systems are set up. This will ensure water services revenues are tracked and consolidated or separated as required for both, budget, forecast and renewals. For further information refer to Part C Section 1.2.

Christchurch City Council already separates water services through its activity statements, however moving forward, Council will ensure the separation is more easily accessible within Council's reporting to enable ease of governance and management review. This will ensure that revenues, costs, overheads and surplus's generated for or by water services are only applied to water services.

1.7. Working with other Councils

Christchurch City Council engages with other Councils through informal and formal channels. Existing formal channels include:

- Canterbury Drinking Water Reference Group
- Canterbury Wastewater Working Group
- Canterbury Stormwater Forum
- MoU between Christchurch City Council and Dunedin City Council – Investigation into shared services

Sensitivity: General

Christchurch City Council is committed to working with other Councils when opportunities arise.

Implementation plan

2. Implementing the proposed service delivery model

The council must give effect to the proposals or undertakings relating to the future delivery of water services that are identified in the councils' Plan. Plans must include an implementation plan that:

- *Sets out the process for delivering the proposed model or arrangements identified in the Plan; and*
- *If a council is proposing to continue to deliver water services itself, and not as part of a joint arrangement, the actions that the council will take to ensure its delivery of water services will be financially sustainable by 30 June 2028.*

The implementation plan must include:

- *The name of each council that commits to delivering the proposed model or arrangements;*

Christchurch City Council will implement a solely in-house model. Council commits to undertake various actions to ensure its delivery of water services will be financially sustainable by 30 June 2028. Below outlines the process in which Council will implement and deliver these arrangements moving forward.

- *A process for delivering the proposed model or arrangements;*
- *A commitment to give effect to the proposed model or arrangements once the Plan is accepted; and*
- *The timeframes and milestones for delivering the proposed model or arrangements.*

2.1. Delivery of Water Services Delivery Plan

Council will continue delivering its water services in-house which reduces the transition for teams and ensures that Council can continue to meet the expectations from the community. Council acknowledges that while past performance is valuable for learning, it is crucial to focus on the changes required to enhance delivery processes and comply with the current and future regulatory requirements, namely: the anticipated *Local Government (Water Services) Bill*, along with projected growth and meeting the level of service the community expects. Below is an implementation plan outlining tasks that Council consider are necessary to move water service delivery from business as usual to operate under the new framework with continual improvement.

2.2. Improving delivery and Measuring Unit Performance

Included in the implementation plan below in Part A Section 2.3, is the development of three plans which will drive performance improvements and ensure the Council complies with its current and anticipated future regulatory requirements and the objectives of the Local Water Done Well reform:

- Capital delivery and asset management improvement plan
- Operating cost improvement plan
- Maintenance Strategy

<u>Capital delivery and asset management improvement plan</u>

The Capital Delivery and Asset Management Improvement Plan for the Water Services Business Unit will strengthen the way it will plan, manage, and deliver essential water infrastructure. This improvement initiative aims to address key challenges such as increasing regulatory expectations, climate change impacts, ageing assets, and the need for greater efficiency and transparency in investment decisions. By enhancing our processes, systems, and capabilities across both asset management and capital delivery functions, we will be better positioned to prioritise the right investments, optimise whole-of-life asset performance, and deliver infrastructure projects more effectively. This integrated improvement plan is critical to ensuring long-term service reliability, affordability, and environmental sustainability for the people of Christchurch City Council.

Operating Cost Improvement Plan

The Operating Cost Improvement Plan for the Water Services Business Unit purpose is to drive greater cost efficiency and ensure the long-term affordability of water services for our community. This plan will identify and implement targeted initiatives to improve operational performance, reduce unnecessary expenditure, and optimise resource allocation across water supply, wastewater, and stormwater services. As part of this approach, we will benchmark our performance against comparable councils and industry standards to ensure we are delivering value for money. Key metrics such as cost per connection, energy use per cubic meter, reactive versus planned maintenance ratios, and service response times will be used to track progress and guide continuous improvement. This work is essential to maintaining high levels of service while managing increasing cost pressures and meeting regulatory and environmental expectations.

Water Services Business Unit Maintenance Strategy

Development of a Maintenance Strategy for water services is to ensure the effective, efficient, and sustainable management of our water supply, wastewater, and stormwater assets. With a large and diverse network of ageing infrastructure, a well-defined maintenance strategy is essential to proactively manage asset condition, reduce the risk of service failures, and extend asset life. This strategy will establish clear frameworks for planned, reactive, and preventative maintenance activities, ensuring the right work is done at the right time and in the most cost-effective way. It will also support compliance with regulatory standards, improve health and safety outcomes, and provide better transparency and accountability in maintenance decision-making. Ultimately, the strategy will enable us to deliver reliable services to the community while optimising operational expenditure and preserving infrastructure performance for future generations.

2.3. Implementation Plan

To implement the proposed model and the water services delivery plan the tasks listed in the table below will be actioned.

Table 1 – Implementation Plan

	Task	Milestone Date
1	Receive and implement any feedback from DIA on the WSDP	Q4 2025
2	Assessment of shared services opportunities with DCC – Phase 2 (Report to Council)	Q4 2025
3	Complete Water Services Operational Mode – identify service gaps or changes required, if changes are required develop business case to implement changes	Q2 2026
4	Review Governance of the Water Services Business Unit	Q2 2026
5	Financial separation of water services - ringfencing	Q2 2026
6	Capital delivery and asset management improvement plan	Q4 2026
7	Asset Data base Review and update	Q4 2026
8	Finalise Service Level Agreements and strategy for allocating internal costs for services	Q4 2026
9	Maintenance Strategy	Q1 2027
10	Adoption of Water Services Strategy	Q2 2027
11	Operating Cost Improvement Plan	Q3 2027
12	Implementation of any operational and Governance changes (if any)	Q2 2028
13	Implementation of other changes required under the Local Government (Water services) Bill (LG(WS)Bill)	*As required*

Sensitivity: General

Implementation of changes required under the anticipated *Local Government (Water Services) Bill*

As part of our commitment to delivering safe, reliable, and resilient water services, staff are actively preparing for the transition to operate under the new regulatory framework established by the *Local Government (Water Services) Bill* and associated legislation.

Council will ensure operations, planning, and governance structures align with the enduring settings outlined in the new legislation, including economic regulation, consumer protection, and environmental performance standards.

Teams are undertaking detailed assessments of what we need to do differently (i.e. how we access private property to maintain assets), preparing for new reporting requirements, and review of bylaws and plans as specified in the anticipated legislation. Operational readiness, compliance and alignment are key guiding principles as we transition to operate under the new framework. Further information on how Council will meet compliance is outlined further in Part B Section 5.2.

Council's view this transition as an opportunity to strengthen our water services and deliver long-term value to our communities. Councils goal is to ensure continuity of service while embracing the reforms that will shape the future of water services management in New Zealand.

iii Consultation and engagement

Consultation and engagement

1. Consultation and engagement undertaken

The purpose of this section is to summarise consultation and engagement carried out in the development of the Plan. A council or group of councils must consult the community on its anticipated or proposed model or arrangement for delivering water services in its Plan. A council or groups of councils are not required to consult generally on a draft or final plan, but a council may choose to do so.

Any consultation the council undertakes must be in accordance with the consultation and decision-making requirements in sections 61 to 64 of the Act.

*Further information on consultation is included in the **Process guidance**.*

In accordance with the *Local Government Act 2002*, Council carried out consultation on its proposed water services delivery model. It has not consulted generally on its Water Services Delivery Plan. However, aspects to underpin the information that forms parts of this plan, where indicated, was based on information from the Long Term Plan, which was consulted on prior to its adoption.

1.1. Consultation carried out on its proposed water services delivery model

On 19 February 2025, the Council resolved to rely on the alternative consultation procedure provided for under the Act for its decision-making, including for the purpose of consultation.

The Council assessed the decision on its proposal and the alternative delivery models was of high significance under its Significance and Engagement Policy.

Sensitivity: General

The Council agreed to consult on the following three delivery models in the public consultation process:

- In-House Delivery Model.
- Water Services Council-Controlled Organisation (WSCCO) Model.
- Two-waters WSCCO model.

The In-House Delivery Model was identified as the proposal.

Christchurch City Council developed a plan to ensure that throughout the process, Council focused on effectively engaging with staff, stakeholders and the public with a clear objective of developing clear and consistent messaging about Local Water Done Well, how it's going to be delivered and what it means for our target audiences – helping to build trust and drive engagement. This involves all parties such as the mayor and councillors, Council staff, Mana whenua, community boards, partners and stakeholders and the residents themselves of Christchurch and Banks Peninsula.

The consultation on the Council's proposed water services delivery model started on 7th March and ran until 6th April 2025. These consultation details shared on the 'Kōrero mai | Let's Talk' webpage were advertised via the following means:

- An email sent to 328 key stakeholders and subscribers to Kōrero mai on 7 March letting them know consultation was open and a follow up email was sent to 335 key stakeholders and subscribers to Kōrero mai on 31 March, letting them know there was one week left to make a submission.
- A Newsline article and accompanying social media post published on 7 March which was viewed 7,502 times.
- Follow-up social media posts on 28 March and 4 April, which reached 5,964 and 3,934 people respectively.
- A marketing campaign including digital (Meta, Google Performance Max and Stuff) and print (The Star, The Press, Star Communities and Akaroa Mail).
- Consultation documents and submission forms, available in all council libraries and service centres.

Council undertook face to face consultation sessions with the various takiwa to ensure they had an opportunity to contribute to the decision-making process and understand the changes being proposed under the different water delivery models.

1.2. Findings

As part of these consultation methods, the 'Kōrero mai | Let's Talk' webpage received 13,341 views throughout the consultation period, with 7,869 unique visitors. Of these visitors, there were 681 valid responses with 658 of those coming from individuals and 23 coming from organizations.

Of these responses, a total of 612 submitters indicated a preference. Which the majority of submitters (80%) indicated than an in-house delivery model was their preferred option. 69 submitters did not indicate a preference.

Table 2 – Consultation findings

Option	Count	%
The Council's proposal: An in-house delivery model	487	80%
A Three Waters Council-Controlled Organisation (Three Waters CCO)	87	14%
A Two Waters Council-Controlled Organisation (Two Waters CCO)	38	6%

Community values around governance, accountability, and public ownership were prominent. Many submitters indicated a strong preference for retaining direct Council control over water services, with concerns about governance separation and potential risks of privatisation under a Council-Controlled Organisation model. At the same time, a proportion of submitters expressed support for a specialist water services entity, believing it would provide greater long-term planning stability, operational efficiency, and improved compliance outcomes. Views on financial sustainability were mixed, with some favouring the borrowing headroom and focus of a Council-Controlled Organisation, while others preferred the more integrated and cost-stable In-House Delivery Model approach. There was a recognition of trade-offs across all models, including the costs and risks associated with establishing new governance structures, the importance of aligning with national standards, and the need to maintain community trust and transparency.

Overall, the consultation highlighted a well-informed and engaged community that recognises the complexity of the decision and the trade-offs inherent in each model. While the In-House Delivery Model received the strongest support, the feedback across all three options provides valuable insight into the outcomes the community expects from any future approach – including transparency, long-term investment certainty, efficient service delivery, and accountability.

iv Assurance and adoption of the Plan

Assurance and adoption of the Plan

The Act requires that each Plan that is submitted to the Secretary for Local Government for acceptance must include a certification, made by the Chief Executive of the council(s) to which the Plan relates, that:

- *The Plan complies with the Act; and*
- *The information contained in the Plan is true and accurate.*

While the Act does not require Plans to be verified independently, to ensure that the information is true and accurate, Councils may wish to either seek independent advice to verify the accuracy of information provided in the Plan or assess their Plan in-house. While not a mandatory requirement, we recommend considering the matters set out below when certifying the Plan.

When certifying the Plan, the Chief Executive of the council(s) may include commentary on:

- *The levels of confidence in the underlying information included in the Plan. This could include comment on the level of confidence in regulatory compliance, asset condition, investment requirements, asset valuations or certainty around financial projections.*
- *Any material risks or constraints that may impact on the delivery of water services, the ability to implement the Plan or to achieve financially sustainable water services provision by 30 June 2028.*
- *Any assurance processes undertaken to verify the accuracy of information included in the Plan.*

The Plan has been prepared on the basis of the best available information that is true and correct at the time of certification.

Christchurch City Councils general level of confidence in the accuracy of the underlying information included in the plan is included below:

- Regulatory Compliance: High level of confidence, reinforced by Christchurch City Council Quality and Compliance water services team working closely with The Water Service Authority/Taumata Arowai to ensure Council meets current requirements.
- Asset condition: High/Medium level of confidence that the information provided is consistent with current asset data and operational knowledge of the assets' condition and performance. As outlined in the plan, there are some areas identified where improvements are required due to limitations with some of the asset data.
- Investment requirements: High level of confidence that the investment outlined in the plan is accurate, aligns the available asset condition data, and reflects the need to continue to operate the infrastructure network reliably and cost effectively.
- Financial projections: High level of confidence that the projections reflect the projected level of investment required to manage asset condition, growth and regulatory requirements.

Material risks or constraints that may impact on the delivery of water services, the ability to implement the plan and assumptions adopted in the Water Service Delivery Plan is outlined in Part F Section ii.

Material risks and constraints to achieving financially sustainable delivery of water services is listed in Part D Section 3.

Internal assurance review has been undertaken to ensure the accuracy of asset condition data, financial investment requirements, and regulatory compliance requirements and assumptions.

Sensitivity: General

Council resolution to adopt the Plan

Councils must adopt their Plans by resolution. In order to demonstrate compliance with this requirement, it is expected that councils will include the resolution date and a copy of the decision to adopt the Plan. For a joint Plan, this resolution to adopt the Plan must be completed by each council to which the Plan relates.

TO BE ADDED

Christchurch City Council adopted this Water Services Plan by resolution on _____. A copy of the resolution is attached.

Certification of the Chief Executive of Christchurch City Council

The Council Chief Executive can complete the following certification statement to demonstrate compliance. For joint Plans, this certification statement should be modified to certify only the information provided by the council in the preparation of the Plan, as opposed to all information included in the Plan.

I certify that this Water Services Delivery Plan:

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

Signed: _____

Name: _____

Designation: _____

Council: _____

Date: _____

Sensitivity: General

Part B: Network performance

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

Investment required in water services

1. Serviced population

The purpose of this section is to succinctly describe

- *Current population of the city or district (or combined city or districts) that the council (or councils) provide water services to;*
- *The estimated future population that will require water services over the next 10-30 years.*

The Council's water services assets, water supply, wastewater, and stormwater, currently serve a population of around 400,000 residents. Over the next decade, water services are projected to experience steady growth, with the serviced population expected to increase by approximately 5%. water supply and wastewater connections are expected to increase at a similar rate over the next 10 years while stormwater services are generally tied to geographic coverage and will reflect urban development growth. These projections highlight the increasing demand on the council's water infrastructure and the importance of strategic planning and investment to ensure sustainable service delivery. The projected growth numbers are shown below in Table 3, Table 4 and

Table 5 for water supply, wastewater and stormwater.

Population projections and connections are based upon a standard set of demographic assumptions and urban expansion models. Council revises its growth modelling annually based on the best information available at the time and projects a long-term vision of 50 years. The base data is sourced from the census data available and is analysed by the monitoring and asset planning teams who run multiple scenarios to better understand the level of variance that could occur. The projected populations listed below are considered a low projection to align with the census base date and to reflect what Long Term Plan programmes are based off.

Table 3 - Water supply projected serviced population

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	387,417	389,491	391,567	393,643	396,270	398,895	401,518	404,139	406,759	409,139
Total residential connections	154,580	155,423	156,267	157,110	157,914	158,718	159,521	160,323	161,125	161,810
Total non-residential connections	11,107	11,345	11,566	11,800	12,020	12,228	12,436	12,644	12,868	13,080

Table 4 - Wastewater projected serviced population

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	389,182	391,256	393,330	395,406	398,030	400,650	403,268	405,883	408,495	410,869
Total residential connections	158,292	159,056	159,820	160,584	161,308	162,033	162,756	163,479	164,201	164,807
Total non-residential connections	16,797	17,138	17,452	17,779	18,090	18,380	18,671	18,962	19,278	19,574

Sensitivity: General

Table 5 - Stormwater projected serviced population

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population	404,500	408,600	412,800	417,000	419,700	422,400	425,100	427,800	430,400	432,900
Total residential connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total non-residential connections	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2. Serviced areas

The purpose of this section is to succinctly describe:

- *The areas in the city or district that receive water services (agriculture/rural council owned water schemes that supply domestic drinking water to be included);*

2.1. Areas that receive water services

Under Christchurch City Councils responsibility, are eight schemes for water supply, five schemes for wastewater and seven catchments for stormwater as outlined in Table 6**Error! Reference source not found.** below. For water supply and wastewater, Council utilises multiple growth scenarios to manage the number of residential and non-residential connections and the expected future connections to ensure the network is managed correctly. Within the stormwater network, all properties are considered to receive a stormwater service, whether or not there is a direct property connection to a network pipe.

Table 6 - Water serviced areas

(information based in Taumata Arowai regulations)

Serviced areas (by reticulated network)	Water supply schemes	Wastewater schemes	Stormwater catchments
Residential areas (If more than one identify separately)	8 schemes: • Christchurch, • Brooklands/Kainga, • Akaroa, • Duvauchelle, • Little River, • Birdlings Flat, • Pigeon Bay, (<10 connections) • Wainui. Total connections: 154,580 residential connections.	5 schemes: • Christchurch, • Akaroa, • Duvauchelle, • Tikao Bay, • Wainui Total connections: 158,292 residential connections	7 catchments: • Ōtūkaikino, • Pūharakekenui/Styx, • Ōtākaro/Avon, • Ōpāwaho/Heathcote, • Huritini/Halswell, • Ihutai/Estuary and coast. • Te Pātaka o Rākaihautū/Banks Peninsula

Sensitivity: General

Non-residential areas (If more than one identifies separately)	7 schemes: • Christchurch, • Brooklands/Kainga, (< 10 connections) • Akaroa, • Little River, • Birdlings Flat, (< 10 connections) • Pigeon Bay, (< 10 connections) • Wainui. (< 10 connections) Total connections: 11,107 non-residential connections	3 schemes: • Christchurch, • Akaroa, • Duvauchelle (< 10 connections) Total connections: 16,797 non-residential connections	N/A
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	0	0	0
Areas that do not receive water services (If more than one identifies separately)	Refer to Section 2.2	Refer to Section 2.2	Nil
Proposed growth areas • Planned (as identified in district plan) • Infrastructure enabled (as identified and funded in LTP)	Refer to Section 2.3	Refer to Section 2.3	Stormwater servicing is provided by a combination developer delivered and LTP funded infrastructure.

Note:
The number of drinking water schemes is based on the latest information registered with the Water Services Authority/Taumata Arowai in Hinekorako.
The latest wastewater schemes are as reported to the Water Services Authority/Taumata Arowai in the Network Environmental Performance Measures.

Sensitivity: General

- *The areas in the city or district that do not receive water services;*
- *Current population within the city or district that does not receive water services; and*

2.2. Areas that do not receive water services

Areas that do not receive water services are within the Banks Peninsula where some settlements are small.

Table 7 – Banks Peninsula serviced areas

Area	Population (2018 Census)	Water Supply	Wastewater
Little River & Cooptown	279	YES	NO
Birdlings Flat	198	YES	NO
Takamatua	111	YES	NO
Pigeon Bay	27	YES	NO
Wainui	77 (18 on WW)	YES	Partial
Port Levy	35*	NO	NO
Okains Bay	40*	NO	NO
Purau	116	NO	NO
Okuti Valley	50	NO	NO
Le Bons Beach	37	NO	NO
Teddington	36	NO	NO
Little Akaloa	33	NO	NO
Kukupo	33	NO	NO
Allandale	33	NO	NO
Ohinetahi	27	NO	NO
Barrys Bay	26	NO	NO
Upper Kaituna	24	NO	NO
French Farm	21	NO	NO
Tikao Bay	20	NO	YES
Pile Bay	20	NO	NO
Kaituna Huts & Reserve,	18	NO	NO
Hammond Point	13	NO	NO
Le Bons Esplanade	11	NO	NO
Camp Bay	10	NO	NO
Onuku	7	NO	NO
* Estimated by staff			

- *The water services infrastructure associated with providing for population growth and development capacity.*

2.3. Infrastructure for population growth

Over the next decade, Christchurch area is projected to experience steady growth with the serviced population is anticipated to increase by approximately 5%, which will increase the demand on the network. As shown in Table **8** below, the additional residential and non-residential connections in the next 10 years are expected to be in excess of 9000 connections

Table 8 - Total increase of connections

	Water Supply	Wastewater	Stormwater
Total residential & non-residential connections	9203	9292	N/A

The majority of the additional connections are anticipated to be in areas that have been highlighted for future growth from the recent 2024 District Plan. These rural urban fringe zones or greenfield areas have been identified by Council to be future growth areas and have now been rezoned as new neighbourhood zones. These zones have undertaken high level development plans by Council to outline the infrastructure and water services required to service the area sufficiently.

These areas identified include:

- East Papanui
- Highfield South
- Belfast West
- Belfast East
- Halswell

Council maintains city-wide Master Plans for water supply and wastewater, while stormwater and flood protection are managed through a series of Catchment Management Plans. These policies and plans provide strategic direction for the sustainable, efficient, and resilient management of the water services infrastructure across the city. An extensive, ongoing network modelling programme supports this planning of infrastructure investment. This modelling forms the foundation for the budgets outlined in the Long Term Plan and Infrastructure Strategy, supporting long-term service delivery and sustainable growth.

A summary of the expenditure budgeted for growth during the next 10 years is listed in Table 9 below. For further information on the capital expenditure and the significant projects in the pipeline to meet additional demand, refer to Section 6

Table 9 - Future Growth

	Water Supply	Wastewater	Stormwater
Capital Expenditure to meet additional demand	$115,348,567	$51,710,954	$136,987,883

Sensitivity: General

- *Current levels of services and performance relating to water services currently provided (refer to non-financial DIA performance standards and council levels of service (LOS) performance measures); and*

2.4. Current Levels of Service (LoS) for Three Water assets

To ensure Council meet growth demands and regulatory compliance, it is paramount to understand where the current Level of Service (LoS) is and Councils proposed targets to ensure it continues to meet the expectations of the community and regulatory authorities.

The current Levels of Service (LoS) for water services as agreed in the 2024 Long Term Plan Activity Plans is outlined in Table 10, along with targets set for future years and historic performance of previous years.

The key areas for water supply cover water quality, reliability, responsiveness, and sustainability. This plan reflects Council's commitment to safe, high-quality, reliable, and sustainable water supply services while ensuring customer satisfaction and operational efficiency. Wastewater level of service measures on reliability, responsiveness, public health protection, and discharge quality with the aim to provide reliable, responsive, and environmentally responsible wastewater services while ensuring public health protection and regulatory compliance. Stormwater management aims on minimising the risk of flooding, damage, and disruption to reduce the threat to properties and dwellings during extreme rainfall events.

Table 10 – Past and proposed Levels of Service (LoS) for Water Service Business Unit.
(Information sourced from 2024 Activity Plans & recent 2025 results)

Water Supply								
Level of Service statement (What we will provide)	**Measures of success (What our community can expect)**	**Performance Targets/Outputs**				**Method of Measurement**	**Historic Performance Trends**	**Benchmarks**
		FY2025	FY2026	2026/27	FY2034 (Year 10)			
Council water supplies are safe to drink								
Council provides water supplies that are safe to drink and compliant with Drinking Water Standards	Water supplied is compliant with the DWQA Rules (Bacteria compliance) (DIA 1a) (12.0.2.9)	Compliant				CCC report on compliance with the Drinking water Standards for NZ (DWSNZ) and Drinking Water Quality Assurance Rules (DWQA Rules) from Taumata Arowai The DWQA Rules primarily impose requirements relating to drinking water supplier duties to: (1) Supply safe drinking water (2) ensure that drinking water complies with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022. Department of internal affairs, Water Supply non-financial performance measure 1b.	2024 & 2023: Compliance was not met for all supplies. All distribution zones achieved compliance 2022: Not achieved (The DIA target of 100% was not met. Only 1 of our water distribution zones was non-compliant) 2021: 85.15% - Not achieved 2020:100% 2019:100%	Ministry of Health annual report on drinking water quality 2018-2019: 95.3%

Sensitivity: General

	Water supplied is compliant with the DWQA Rules (Protozoal compliance) (DIA 1b) (12.0.2.10)	Compliant				CCC report on compliance with the Drinking-water Standards for NZ (DWSNZ) and Drinking Water Quality Assurance Rules (DWQA Rules) from Taumata Arowai. The DWQA Rules primarily impose requirements relating to drinking water supplier duties to: (1) Supply safe drinking water (2) ensure that drinking water complies with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 Department of internal affairs, Water Supply non-financial performance measure 1b.	2024& 2023: Compliance was not met for all supplies. 2022: Not achieved (The DIA target of 100% was not met as only 2 out of our 15 water treatment plants were compliant. 2021: 0% 2020: 0% 2019: 0%	Ministry of Health annual report on drinking water quality 2018-2019: 78.7%
	Proportion of customers connected to water supply zones with an up-to-date Ministry of Health approved Water Safety Plan (12.0.2.1)	100%				Quality & Compliance team report on water safety plans	2024: 100% 2023: 100% 2022: 100% 2021: 100% 2020: 100% 2019: 100%	Ministry of Health annual report on drinking water quality 2018-2019: 98.3%
Where we have non-conformances in relation to compliance with the DWQA, Council has a plan in place which is funded in the LTP to ensure that Council can mitigate some of these non-compliances to meet the proposed level of service requirements. As explained further in Section 6.1, Council has implemented a large capital investment programme to install new permanent chlorination equipment and controls to meet water quality requirements. These will replace any temporary equipment that was installed, to ensure Council meet the level of service expected and the regulatory requirements.								
Council provides high quality water								
Council provides high quality water that residents are satisfied with	Proportion of residents satisfied with quality of council water supplies (12.0.2.19)	≥52%	≥54%	≥56%	≥56%	Residents Satisfaction Survey	2024: 52% 2023: 53% 2022: 45% 2021: 45% 2020: 48% 2019: 37%	Dunedin: 22/23: 72% (satisfaction with quality & pressure)
	Total number of complaints received by council about (DIA 4) (12.0.1.16): a) Drinking water clarity b) Drinking water taste c) Drinking water odour d) Pressure or flow e) Continuity of supply f) Council's response to any of these water supply issues per 1,000 connections served per year	≤ 6.6				Total number of complaints received through council's call centre about clarity, taste, odour, pressure, flow, continuity of supply or responses to complaints, multiplied by 1000/number of connections. *Department of Internal Affairs, Water Supply Non-Financial Performance Measure 4.*	Per 1,000 properties 2024: 3.8 2023: 10 2022: 0.067 (New measure in 2022)	Water NZ National Performance Review 2021/22: 4.82 2018/19: 6.07

Sensitivity: General

Council operates water supplies in a reliable manner						
Council operates water supplies in a reliable manner	Number of unplanned interruptions per 1,000 properties served per year (12.0.1.2)	≤ 41	≤ 41 - ≤ 42	Monthly Contractor reports giving the total number of unplanned interruptions to date in a year divided by the number of properties served multiplied by 1,000.	2024: 28.9 2023: 9.73 2022: 9.75 2021: 9.94 2020: 38.43 2019: 17.72	Watercare: 2.56 2021/22: 2.25
	Proportion of residents satisfied with reliability of water supplies (12.0.1.13)	≥80%	Between ≥ 80% - ≥ 60%	Residents Satisfaction Survey	2024: 84% 2023: 79% 2022: 77% 2021: 75% 2020: 72% 2019: 81% Not measured prior to 2018.	Water NZ National Performance Review 2021/22: 28.09 2018/19: 7.9
Council operates water supplies in a responsive manner						
Council staff and contractors respond to customers feedback and quickly resolve issues	Median time (in hours) from notification to attendance of urgent call-out (DIA 3a) (12.0.1.10)	≤ 1		The median response time measured from the time that the council receives notification of the issue to the time that service personnel reach the site. Reported in monthly contract reports from the Contractor *Department of Internal Affairs, Water Supply non-financial performance measure 3a*	2024: 30 mins 2023: 39 min 2022: 1 hr 11 mins 2021: 1hr 4mins 2020: 41mins 2019: 38mins	Water NZ National Performance Review 2021/22: 0.39 2018/19: 0.5 2017/18: 0.51
	Median time (in hours) from notification to resolution of urgent callouts (DIA 3b) (12.0.1.12)	≤ 5		The median resolution time measured from the time that the council receives notification of the issue to the time that service personnel confirm resolution of the issue. Reported in monthly contract reports from the Contractor *Department of Internal Affairs, Water Supply non-financial performance measure 3a*	2024: 1 hr 51 mins 2023: 2 hrs 48 mins 2022: 5 hrs 20 mins 2021: 1hr 53mins 2020: 2 hrs 21mins 2019: 2hrs	Water NZ National Performance Review 2021/22: 4.56 2018/19: 2.4
	Median time (in hours) from notification to attendance of non-urgent callouts (DIA 3c) (12.0.1.9)	≤ 72		The median response time measured from the time that the council receives notification of the issue to the time that service personnel reach the site. Reported in monthly contract reports from the Contractor	2024: 9hrs 2023: 9hrs 13mins 2022: 41hrs 19 mins 2021: 71hrs 2020: 19hrs 2019: 4hrs 36mins	Water NZ National Performance Review 2021/22: 41.19 2018/19: 6.2

Sensitivity: General

					Department of Internal Affairs, Water Supply non-financial performance measure 3a		
	Median time (in hours) from notification to resolution of non-urgent callouts (DIA 3d) (12.0.1.11)	≤ 96			The median resolution time measured from the time that the council receives notification of the issue to the time that service personnel confirm resolution of the issue. Reported in monthly contract reports from the Contractor *Department of Internal Affairs, Water Supply non-financial performance measure 3a*	2024: 16hrs 18mins 2023: 15hrs 40mins 2022: 44 hrs 16 mins 2021: 76 hrs 24 mins 2020: 21 hrs 7 mins 2019: 6 hrs 53 mins	Water NZ National Performance Review 2021/22: 44.16 2018/19: 20.2
	The proportion of residents satisfied with council responsiveness to water supply problems (12.0.1.14)	≥ 65%	≥ 70%		Residents Satisfaction Survey	2024: 64% 2023: 59% 2022: 57% 2021: 52% 2020: 54% 2019: 60% Not measured prior to 2018	Wellington Water: 65% (Jul-Sep 2023) customer satisfaction with service)
Council water supply networks and operations are sustainable							
Council water supply networks and operations are sustainable	Average consumption of drinking water in litres per resident per day (DIA 5) (12.0.7)	≤ 220	≤ 210	≤ 200	Total volume of water abstracted minus the leakage from the public network divided by the total population served by Council's water supply networks *Department of Internal Affairs, Water Supply non-financial performance measure 5*	2024: 239 2023: 261 2022: 278 2021: 398 2020: 229 2019: 209	Water NZ National Performance Review 2021/22:611 2018/19: 294
	Percentage of real water loss from council's water supply reticulated network (DIA 2) (12.0.6)	≤ 25%		≤ 25% - ≤ 15%	Calculated from night time flow measurement and total water abstraction. *Department of Internal Affairs, Water Supply non-financial performance measure 2*	2024: 28.6% 2023: 27.3% 2022: 25.5% 2021: 23.5% 2020: 20.2% 2019: 23.0%	Water NZ National Performanc e Review 2021/22: 22%

Sensitivity: General

Wastewater								
Level of Service statement (What we will provide)	**Measures of success (What our community can expect)**	**Performance Targets/Outputs**				**Method of Measurement**	**Historic Performance Trends**	**Benchmarks**
		2024/25	2025/26	2026/27	2033/34 (Year 10)			
Council operates wastewater services in a reliable manner								
Council operates wastewater services in a reliable manner, minimising the number of complaints around wastewater issues	Proportion of residents satisfied with the reliability and responsiveness of wastewater services (11.0.1.16)	≥68%	≥70%	≥72%	≥72%	Residents Satisfaction Survey	2024: 67% 2023: 59% 2022: 59% 2021: 60% 2020: 66% 2019: 71%	Dunedin 22/23: 68% (satisfied with how DCC manages the sewerage system)
	Total number of complaints received per 1000 connections by council per year about (DIA 4) (11.0.1.10): a) Wastewater odour b) Wastewater system faults c) Wastewater system blockages d) Council's response to wastewater issues	≤ 10.7				Total number of complaints received through Council's call centre about odour, system faults, blockages or responses to complaints multiplied by 1000/number of connections.	2024: 0.21 2023: 9.96 2022: 10.12 New measure in 2022 combining 4 individual performance measures	Medians from Water NZ National Performance Review 2021/22: 2.70 2018/19: 10.81
	Percentage of total wastewater gravity network pipework length at condition grade 5 (very poor) (11.0.1.18)	≤ 17%	≤ 18%	≤ 19%	≤ 19% - ≤ 26%	Lengths of pipe at condition grade 5 divided by total wastewater pipe length expressed as a percentage. Condition deterioration since inspection to be included when assigning a condition grade to a pipe. Reported from Council asset management systems.	2024: 5.25% 2023: 8.22% 2022: 11.54% Change in measurement method for 2021/22.	
Council operates wastewater services in a responsive manner								
Council operates wastewater services in a responsive manner following notification of an issue	Median time (in hours) from notification to attendance of overflows resulting from network faults (DIA 3a) (11.0.1.5)	≤ 1				The median attendance time measured from the time that the Council receives notification of the fault to the time that service personnel confirm resolution of the fault. Reported in monthly contract reports from the Contractor. *Department of Internal Affairs, wastewater non-financial performance measure 3a*	2024: 20 mins 2023: 36 mins 2022: 34 mins 2021: 32mins 2020: 33mins 2019: 34mins	Median Results from Water NZ National Performance Review. 2021/22: 0.33 2018/19: 0.55 2015/16: 0.92
	Median time (in hours) from notification to resolution of	≤ 12				The median resolution time measured from the time that	2024: 2hrs 14 mins 2023: 2 hrs 7 mins 2022: 2 hrs 15 mins	Water NZ National

Sensitivity: General

	overflows resulting from network faults (DIA 3b) (11.0.1.6)			the Council receives notification of the fault to the time that service personnel confirm resolution of the fault. Reported in monthly contract reports from the Contractor. *Department of Internal Affairs, wastewater non-financial performance measure 3a*	2021: 2hrs 6 mins 2020: 1hr 54 mins 2019: 2hrs 25mins	Performance Review 2021/22: 3.3 2018/19: 2.8 2015/16: 3.0
Public health is protected from council wastewater services						
Public health is protected from council wastewater services by minimising dry weather overflows	Number of dry weather overflows from wastewater systems per 1,000 connections per year (DIA 1) (11.0.5.2)	≤ 0.7	≤ 0.7 - ≤ 0.8	Number of dry weather overflows per 1,000 properties connected to the wastewater network. Reported in resource consent compliance reports to ECan. *Department of Internal Affairs, wastewater non- financial performance measure 1*	2024: 0.08 2023: 0.16 2022: 0.43 2021: 0.52 2020: 0.60 2019: 0.54	Median from Water NZ National Performance Review. 2021/22: 0.1 2018/19: 0.99
Council has high wastewater discharge quality						
Council has high wastewater discharge quality complying with resource consents	Number of abatement notices, infringement notices, enforcement orders and convictions regarding council resource consents related to discharges from wastewater systems per year (DIA 2) (11.1.2)	0		Resource consent compliance reports to ECan. *Department of Internal Affairs, wastewater non-financial performance measure 2.*	2024: 0 2023: 0 2022: 0 2021: 0 2020: 0 2020: 0 2019: 0	Average from Water NZ National Performance Review. 2015/16: 0.19

Stormwater								
Level of Service statement (What we will provide)	**Measures of success (What our community can expect)**	**Performance Targets/Outputs**				**Method of Measurement**	**Historic Performance Trends**	**Benchmarks**
		2024/25	2025/26	2026/27	2033/34 (Year 10)			
Council responds to flood events, faults and blockages promptly and effectively								
Council responds to flood events, faults, and blockages promptly and effectively	Median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site (DIA 3) (14.0.10)	≤60 mins urban ≤120 mins rural				Reported in monthly contract reports from the Contractor. Both targets must be met for the level of service to be met. Department of Internal Affairs, Stormwater non- financial performance measure number 3	2024: Urban: Nil / Rural Nil 2023: Urban 43 Rural Nil 2022: Urban: 33 / Rural: Nil 2021: Urban: Nil / Rural Nil	

Sensitivity: General

						2020: Urban: Nil / Rural Nil 2019: Urban: Nil / Rural Nil	
Council manages the stormwater network in a responsible and sustainable manner							
Council manages the stormwater network in a responsible and sustainable manner	Resident satisfaction with council's management of the stormwater network (14.0.3)	45%	50%	55%	Resident satisfaction surveys	2024: 56% 2023: 43% 2022: 44% 2021: 45% 2020: 42.7% 2019: 47%	
	Number of abatement notices, infringement notices, enforcement orders and successful prosecutions regarding council resource consents related to discharges from the stormwater networks per year (DIA 2) (14.0.2)	0			Reported in resource consent compliance reports to ECan. *Department of Internal Affairs, Stormwater non- financial performance measure number 2*	2024: 0 2023: 0 2022: 0 2021: 2 2020: 0 2019: 0	
Stormwater network is managed to minimise risk of flooding, damage and disruption							
Stormwater network is managed to minimise risk of flooding, damage, and disruption	The number of flooding events that occur (DIA 1a) (14.0.11.2)	<2 flooding events			(C) Site inspection reports. "The number of flooding events that occur in a territorial authority district" (DIA Sub-part 3, 1a)	2024: 0 2023: One flooding event occurred that affected 2 habitable floors 2022: 2 flooding events in Dec 2021 and Feb 2022 2021: 0 2020: 0 2019: 0	
	LTP24: For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system) (DIA Sub-part 3, 1b) (14.0.11.1)	<0.1 habitable floors per 1000 properties			(C) Site inspection reports. "For each flooding event, the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system)" (DIA Subpart 3, 1b)	2024: 0 2023: 0.013 2022: 0.01 2021: 0 2020: 0 2019: 0	
	Number of complaints received by a territorial authority about the performance of its stormwater system (Expressed per 1000 properties connected to the territorial authority's stormwater system) (DIA 4) (14.0.11.3)	< 9 complaints per 1000 properties	Between <9 - <8 complaints per 1000 properties		Number of requests for service received through the Hybris *Department of Internal Affairs, Stormwater non- financial performance measure number 4*	2024: 8.16 2023: 0.87 2022: 8.5 2021: 0.5 2020: 6.07 2019: 6.74	
Implement flood plain management programme works to reduce risk of flooding to property and dwellings during extreme rain events							

Sensitivity: General

Implement Flood Plain Management Programme works to reduce risk of flooding to property and dwellings during extreme rain events	Annual reduction in the modelled number of properties predicted to be at risk of habitable floor level flooding of the primary dwelling in a 2% AEP Design Rainfall Event of duration 2 hours or greater excluding flooding that arises solely from private drainage (14.1.6.1)	≥ 0 properties per annum on a rolling three-year average	Flood Models	Properties per annum 2024: 6 2023: 17 2022: 30 2021: 43 2020: 44 2019: 57	

Sensitivity: General

3. Assessment of the current condition and lifespan of the water services network

Council uses several tools and processes to understand the current condition and lifespan of its water services network. With a variety of assets throughout the water service network, each one having a varying installation date, material, criticality and asset value, understanding the condition of these assets has its challenges. Outlined below gives light to how Christchurch City Council currently assesses its assets and the condition of the network that Council use to plan renewals, maintenance and capital works.

3.1. Christchurch City Councils Asset Assessment and Intervention Framework

Acknowledging an approaching renewals peak and the need to better identify and prioritise renewals requirements, Christchurch City Council initiated the Asset Assessment and Intervention Framework (AAIF) tool to improve pipe renewals planning processes. The tool aims to develop an improved renewals planning process that is on-tool (integrated into Council IT systems), repeatable, robust, transparent and fast. In addition, the process will provide the capability to adjust the renewals profile based on affordability, ability to deliver and operational costs by ensuring council focus on replacing assets giving the highest risk while balancing network performance and levels of service.

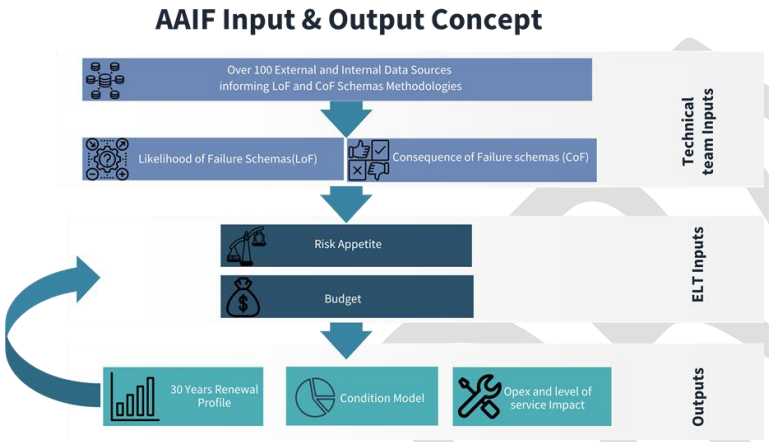

Figure 3 – Asset Assessment Intervention Framework Concept

The overall process uses internal asset data and derives additional data from external sources to develop a base required renewals profile. An iterative process then follows where risk, cost and deliverability are assessed, and direction provided to the asset team. Technical staff then interpret outputs by applying the risk appetites and proposed budgets to achieve better outcomes in the next iteration.

Currently the AAIF only covers reticulation asset renewal planning.

Sensitivity: General

The Asset Assessment Intervention Framework is beneficial for determining and prioritising renewal requirements through a multi-criteria assessment based on Figure 4 below.

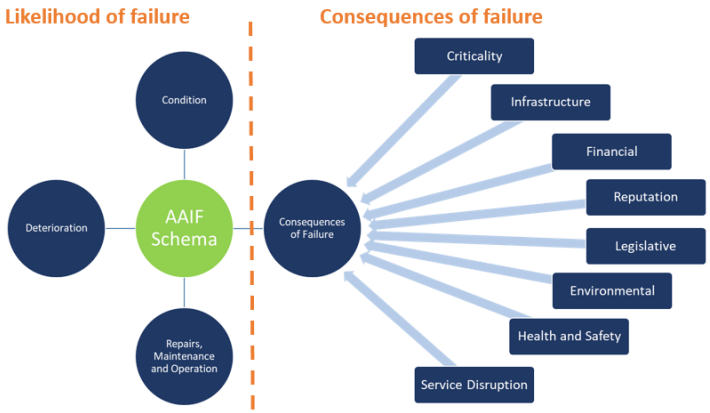

Figure 4 – Asset Assessment Intervention Framework

The final process grades a one to five score for each of the four main criteria shown above. Condition, Degradation and Repair Maintenance and Operations (RMO) give the likelihood of failure occurring while consequence of failure is dependent on eight supporting criteria, which gives an overall risk-based renewals planning process.

At a high level, each of the four criteria are described below:

RMO is based on the historical number and frequency of failures/interventions required to keep the pipe in operation. This assessment only counts failures on the pipe itself and excludes failures or faults relating to fittings or third-party damage.

Degradation uses the same 1 to 5 score based on the environmental hazards in proximity to each pipe and the susceptibility of the pipe material to each hazard. Degradation grades identify pipes likely to deteriorate faster or slower than average and are applied as adjustments to the theoretical useful lives to account for each asset's environmental exposure.

Consequence of failure (CoF) grades are a measure of how severe the outcomes to the city and community will be in the event of a failure. CoF fall into a wide range of categories. Splitting the CoF schema into eight sub-schema permits assessment under each category. Further information about the Consequence of failure or 'criticality' of councils' assets is discussed further down in Section 3.11.

Sensitivity: General

Condition grades for individual pipes can be physical condition assessment results, or in the absence of a condition assessment, an estimate based on installation date and theoretical useful life is used. Further explanation on condition grading is described in Section 3.4

The purpose of this section is to describe:

- *Average age of network assets and expected lifespan;*

3.2. Average age of network assets and expected lifespan

Reticulation Network

Pipe materials for the water supply network have changed over time with cast iron (CI) the predominant pipe material up until the 1940s, followed by asbestos cement (AC) from 1950 to 1980s and then plastic (PVC) from the mid-1980s to now. The theoretical useful lives of CI, AC and early generation PVC are 120, 60 and 40 years respectively, meaning that much of the initial network from the 1950s and the 1980s is all approaching end of life. Council has also experienced issues with a high breakage rate for early generation HDPE submains and crossover pipes that were installed in the 1990s. Of the 861.1km 'In Service' HDPE pipes throughout the network, a failure rate of 5.4 breaks per kilometre has been calculated which is considered extremely high for an asset of this age. To enable these assets to be renewed in a timely manner, an effective asset life of these HDPE pipes has been reduced to 40 years and 70 years respectively. Therefore, it is considered that the overall average age of the reticulation network is around 50 years old.

For wastewater, some of the oldest reticulation assets such as brick barrel assets are still in use, dating back to 1880s in Christchurch. A significant portion of the reticulation network was renewed after the earthquakes which lessens the peak for renewals. Much of the replaced wastewater pipes were renewed with PVC pipes which will provide an expected lifespan of 100 years.

Stormwater pipes did not receive the same attention as wastewater pipes after the earthquake, with a majority of stormwater network installed in the 1970s/1980s with concrete pipes. Recent upgrades and new installations with PVC has been occurring which expects to provide a theoretical useful life of these pipes of around 100 years, however due to many historic stormwater pipes still remaining, the average age of the stormwater network is still around 40-50 years.

Pump Stations

A large portion of pump stations were constructed in the 1950s, 1980s and then again in the 2000/2010s. Eliminating the few outlier stations built before 1950s, the average age is 30-40 years.

Tanks & reservoirs

For water supply there is a comprehensive list of asset age for suction tanks and reservoirs that were completed as part of a condition assessment programme of works in 2021. Many of the suction tanks were installed in the 1950/1960s with an additional amount of tanks build in late 1980s and early 1990s. Similar to suction tanks, much of the reservoir tanks were constructed in the 1940,1950s and 1960s with further constructed in the 1990s.

The average age of these tanks, both suction and reservoirs are about 40-50 years.

Wastewater Treatment plants

Christchurch Wastewater Treatment plant (CWTP) has undergone significant upgrades and expansion over the years.

The wastewater treatment plant was first constructed back in the early 1960s and was further expanded in 1975 including additional sedimentary tanks and filters. Further capacity was required as Christchurch grew and major works were required again in late 1990s, early 2000s which included additional sedimentary tanks, and clarifiers. The earthquake in 2011 caused damage to the treatment plant which required works to halt sewage leaking into the estuary and most recently the large trickling filters were completely damaged in a large fire in 2021. The confidence level in asset data is not high. Work is programmed to improve the quality of asset data at the site through its Capital Delivery and Asset Management Improvement Plan which is outlined as Item 6 in the implementation plan within Part A Section 2.3.

3.3. Summary of water services assets

Table 11 - Summary of age, quantity and condition grading for water services assets

Parameters	Drinking supply	Wastewater	Stormwater
Average age of network assets	50 years old	20-30 years old	40-50 years old
AAIF classified Consequence of Failure assets • Identified • Not identified (Classified as Critical assets)	• Reticulation assets • Station, treatment and reservoir assets	• Reticulation Assets • Station and treatment assets	• Reticulation assets • Pump stations and treatment assets
Above ground assets (units)			
• Pump stations	• 60	• 158[2]	• 45
• Treatment plant/s	• 53	• 5	• 2,426[3]
• Reservoirs and tanks	• 137	• ---	• ---
• Stream intakes	• 7[1]	• ---	• ---
• Lift stations	• ---	• 84	• ---
• Ocean/harbour outfalls	• ---	• 6	• ---
• Odour control sites	• ---	• 34	• ---
• Stop banks	• ---	• ---	• 12Km
• Percentage or number of above ground assets with a condition rating	• 50%	• 100%	• 50%
• Percentage of above –ground assets in poor or very poor condition	• 20%	• 8.2%	• 12%
Below ground assets (units)			
• Total Km of reticulation	• 3,617Km	• 1,641Km	• 915Km
• Wells	• 133	• ---	• ---
• Open waterways	• ---	• ---	• 2,429Km
• Waterway lining	• ---	• ---	• 220Km
• Percentage of network with condition grading	• 100%	• 100%	• 100%
• Percentage of network in poor or very poor condition	• 21%	• 25%	• 16%

[1] *4 in Akaroa, 1 in Duvauchelle, 1 in Little River and 1 in Pigeon Bay.*

[2] *Including an outfall pump station.*

[3] *Sum of 2012 swales, 132 retention basins, 46 detention basins, 69 ponds, 127 soak pits & 40 road gardens as per Land Drainage AMP*

Sensitivity: General

Note:

Asset condition grading is largely based on the asset life and not on a full condition assessment. It is considered this is not reflective of the actual condition of these assets. Council is developing an asset condition assessment field tool to capture asset condition as part of the Asset Data base Review and update under Item 7 in the implementation plan.

The above table on stormwater assets does not include the separation of Transport and water services stormwater assets.

- *Condition of network assets providing water services (include assessment of condition of assets, when condition assessment was last carried out, and quantity of backlog of renewals and maintenance); and*

3.4. Definition of Condition for water services network assets

Condition grades for assets may be from physical condition assessment results, although when this is not achievable, a condition estimate is based on the installation date and theoretical useful life. Where data is accessible, a hierarchical approach applies to condition assessments which prioritises laboratory assessment results over CCTV inspections, over visual inspections, overestimates.

The theoretical useful life of an asset is determined based on industry knowledge and historic performance. This estimate reflects the expected duration an asset can effectively serve its intended purpose under normal operating conditions. By analysing data from similar assets, past maintenance records, and physical condition inspections, council can predict how long an asset should last before it requires replacement or major refurbishment. Where some assets have not performed as expected in the past, the theoretical useful life is adjusted.

Much of the condition of the asset is based on age, exception being wastewater and stormwater pipes where CCTV inspection have been included in the condition analysis of the asset. Future objectives to improve asset condition data is outlined in Sections 3.6, 3.8 and 3.10.

Where the condition of individual assets is based in the theoretical useful life remaining, water service condition grades individual assets a 1 to 5 scale as described in Table 12 below.

It should be noted that in some assets, 2025 condition data is not an exact reflection of the current state of the asset but a projection from previous CCTV or asset collection measures. This takes into account degradation of the pipe from when the pipe was first inspected and therefore a real time condition in 2025 or future years has a level of approximation in the data.

Table 12 - Condition grades

Condition Grade	Description	Percentage of Theoretical Useful Life Remaining
1	Excellent	Life remaining ≥ 50%
2	Good	25% ≤ Life remaining < 50%
3	Average	15% ≤ Life remaining < 25%
4	Poor	5% ≤ Life remaining < 15%
5	Very Poor	Life remaining < 5%

3.5. Condition of water supply network assets

Water supply assets are considered to fall into 3 groups as follows:

1. Reticulation (pipes, mains, submains, laterals, meters, hydrants etc)
2. Pump Stations (Buildings & structures, electrics, IAC, mechanical, wells etc)
3. Treatment facilities (buildings & structures, reservoirs & tanks etc)

90% of the total value (optimised replacement cost) of the assets covered were associated with pipes and associated nodes (inlets, outlets, manholes etc) that make up the reticulation network. The remaining value sits within Pump Stations, Treatment and Storage.

Water supply reticulation network

Pipe assets have an estimated condition grade based on the installation year and a theoretical useful life. However, sections of asbestos cement piping that had continual faults have had laboratory condition assessments conducted on them to sense check the current remaining useful life that was linked to the pipe asset.

Figure 5 below outlines the condition of the reticulation assets, with 74% of the assets in good or very good condition. 13% of assets are in very poor condition. Noting that the grades are based on theoretical life, it is likely the physical condition is better than assessed.

Sensitivity: General

By using the AAIF tool which optimises reticulation renewals, council can look ahead using the latest proposed renewal programme and proposed budget in accordance with the recent Long Term Plan to understand the condition of the network in 10 and 20 years' time as per Figure 6.

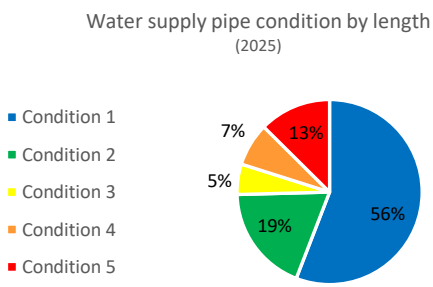

Figure 5 – Current water supply pipes condition

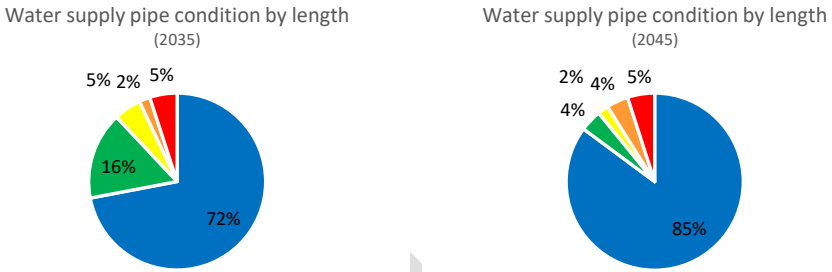

Figure 6 – Future water supply pipes condition using optimised AAIF and proposed LTP budget

Water supply pump stations

Water supply stations include assets under the categories:

1. Civil and structures (including wells, suction tanks & reservoirs)
2. Mechanical
3. Electrical
4. Instrumentation, automation and control (IAC)

The condition data held in the asset database for station assets is poor compared to reticulation assets, therefore is largely based on asset age. A programme of works to undertake structural condition assessments of the suction tanks and reservoir tanks was completed in 2021. There is a high benefit assessing civil and structure assets prior to renewal whereas the majority of electrical and IAC assets can be effectively managed using network-wide assessments rather than individual assessments. Civil and structural assets are fewer in number, but high in value and asset life, compared to mechanical, electrical and IAC assets that are greater in number but lower in value and asset life.

Pump stations is the broader term and are made up of various components with each element having different condition and valuation based on their use. Figure 8 below shows the number of each asset that is in a poor or very poor condition (Condition 4 & 5). Although the number of civil and structures assets represents 3% of all the poor condition assets, the value of these particular assets actually equates to 38% of the total assets. Similarly, IAC assets represent 50% of the number of poor assets however these only represent 6% of the value.

Sensitivity: General

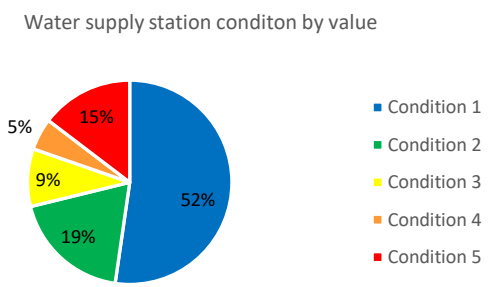

Figure 7 – Water supply station asset condition

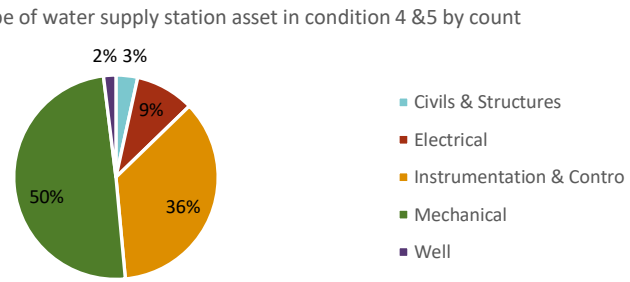

Figure 8 – Water supply poor & very poor station asset conditions

Water supply Treatment & reservoirs

At a portfolio level, there is limited condition data held in the database for treatment assets. A strategy will be implemented to fill key data attributes to improve asset management practices, this will be outlined in the Capital Delivery and Asset Management Improvement plan listed as Item 6 within the Implementation Plan (Part A Section 2.3).

Since 2021, a large programme of works involved undertaking physical condition assessment of suction tanks and reservoirs. The inspections only included items that were observable from the exterior, however this preliminary assessment highlighted the tanks with the most critical repairs required and prioritised the tanks in need for future detail inspections.

3.6. Water Supply Assets – Continuous Improvement

A large focus for council is to increase the level of confidence in the above ground assets data such as pump stations, tanks and treatment facilities. Whilst some of these assets, namely tanks, Council have data on, the majority of this data is yet to be uploaded into the asset management information systems. To increase confidence in this age-based condition profiling, Council are aware that there needs to be further condition assessments undertaken on station assets and these would be completed in value hierarchy starting with the individual structural assets. This is not explicitly in the implementation plan as there are further tasks that need to be done first and no funding has been allocated to this yet, however this is something council are aware they need to do.

3.7. Condition of wastewater network assets

Wastewater assets are considered to fall into 3 groups as follows:

1. Reticulation (pipe and non-pipe assets etc)
2. Pump Stations (buildings, odour control, lift stations and monitoring sites etc)
3. Treatment and storage facilities (buildings & structures, reservoirs & tanks etc)

Similar to water supply assets, 90% of the total value (replacement cost) of the assets covered are associated with the reticulation network, whilst 8% of the value of the assets are wastewater treatment plants and the remaining being pump stations.

Wastewater reticulation network

The primary source of capturing wastewater reticulation physical condition data involves Closed Circuit Television (CCTV) inspections with majority of targeted pipes approaching the end of their lives. Current inspection data indicate 72% of condition 4 pipes have a condition grade based on CCTV evidence condition whilst 96% of condition 5 pipes have had a CCTV inspection. Figure 9 shows the condition of wastewater pipe assets where almost 65% of the assets are either in very good or good condition (Condition 1 & 2) and 28% in poor or very poor condition (Condition 4 & 5). A significant portion of the reticulation network after the earthquakes in 2011 was renewed, where a high portion of damage occurred to older, more brittle pipes. However, due to the earthquake recovery budget limit, some newer pipes that also suffered damage could not be replaced, therefore legacy earthquake damage remains.

Utilising the AAIF tool with the Long Term Plan budget allowance, the condition profile of the assets will improve over the next 10 to 20 years, as shown in Figure 10.

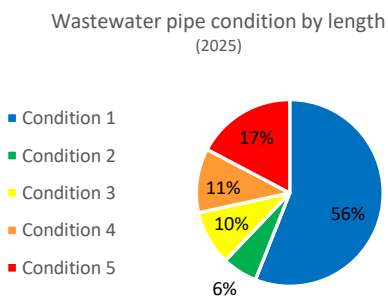

Figure 9 - Current wastewater pipe conditions

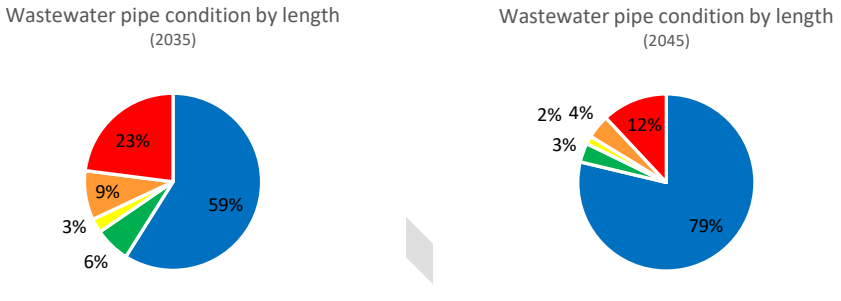

Figure 10 - Future wastewater pipes condition using optimised AAIF and proposed LTP budget

A breakdown of condition 5 reticulation pipe materials is listed in Figure 11 with reinforced concrete rubber ring jointed pipes making up a large proportion of the very poor condition assets due to their brittle nature and the corrosive effects from sewer gases.

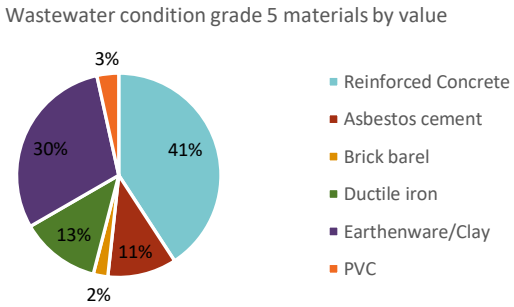

Figure 11 - Wastewater very poor pipe conditions

Sensitivity: General

Wastewater pump stations

Wastewater stations include assets under the categories:

1. Civil and structures (including wet wells)
2. Mechanical
3. Electrical
4. Instrumentation, automation and control (IAC)

Like water supply pump stations, wastewater pump stations are made up of civil & structural components, mechanical, electrical and IAC. At a portfolio level, the condition data held in the database for station assets is poor. To address specific issues, targeted condition assessments are periodically carried out. For example, wet well surveys of specific sites identified the internal pipework structure to be in very poor condition. Figure 12 below outlines the asset conditions measured on a 1-5 condition rating based on the asset replacement value with 14% having a condition rating of 4 or 5.

Based on the replacement value of condition 4 and 5, Figure 13 outlines the individual components that make up the poor and very poor conditions. The worst component is mechanical that represent approximately half of the poor condition assets, however these assets are considered cheap to replace, whilst there are a small number of civil and structures assets which are relatively expensive to replace.

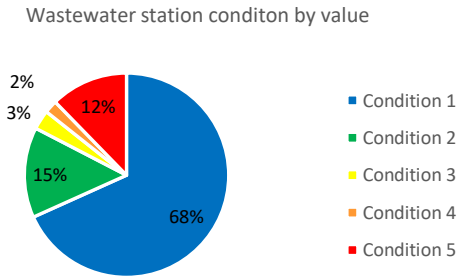

Figure 12 - Wastewater pipe asset conditions

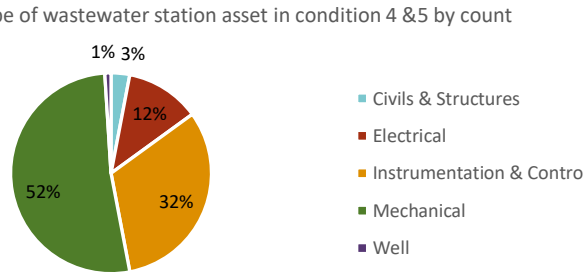

Figure 13 - Wastewater poor & very poor station asset conditions

Wastewater Treatment

The current asset data on the Christchurch Wastewater Treatment plant (CWTP) and Bank Peninsula Treatment plants is poor. Attributes such as installation data are missing. Asset renewals has largely been based on operational feedback and historical indicators. Improvement to the data base will be undertaken as part of its Capital delivery and asset management improvement plan and is included in the implementation plan.

3.8. Wastewater Assets - Continuous Improvement

Outputs from AAIF has indicated there is a significant backlog of pipes requiring CCTV and Council has budgeted $1.5 million over the next three years to undertake CCTV of the highlighted pipes requiring information. 80% of this budget is proposed for wastewater whilst 20% is for stormwater. This will further increase the confidence of the wastewater treatment reticulation network to provide confident renewal programmes moving forward.

A plan has been developed to assess and improve asset data. The key deliverables of this project is to fill key data gaps, understand the level of confidence in the data, and implement processes to continually improve asset data. This is a work stream that is already occurring at council although as more information comes to hand, this may tie into the Capital Delivery and Asset Management Improvement Plan listed in Item 6 of the Implementation Plan (Part A Section 2.3)

3.9. Condition of stormwater network assets

Stormwater assets consist of:

Stormwater drainage

- Reticulation (pipes, headwalls, inlets/outlets etc)
- Lined/unlined drains (bank & bed lining, earth channels)
- Open water structures (weirs, debris structures etc)
- Monitoring & Hydrometric equipment (structures, piezometers)
- Pump stations (building & structures, pipework, mechanical)
- Backflow protection systems
- Treatment & Storage facilities (wetlands, dry basins, swales, soak pits etc)

Flood Protection & Control works

- Tidal protection structures
- Flood protection structures (stop banks etc)

Sensitivity: General

Reticulation network

The majority value of stormwater assets sits amongst the reticulation network which consists of mains, accesses, inlets, outlets, headwalls, valves and fittings. CCTV inspection results are the primary source of physical condition data with inspections providing a measured condition grade for 37% of the total length of mains. However, the value of the mains that have undertaken CCTV is close to 60%, indicating inspections have been targeted at the large more critical pipes. The remaining 40% of the value of the mains has an estimated condition grade based on installation year and theoretical useful life as described in Part B Section 3.4. Overall condition profile of the stormwater reticulation network is shown below in Figure 14.

The AAIF assessment tool using the budget allowance in the latest Long Term Plan, outlines the condition profile of the assets will improve slightly over the next 10 to 20 years as shown in Figure 15 below.

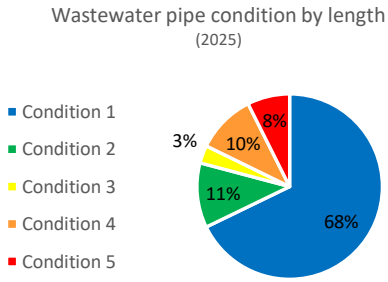

Figure 14 - Stormwater pipe asset conditions

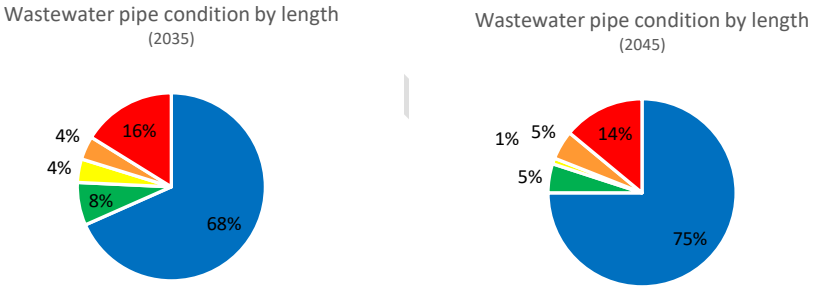

Figure 15 - AAIF optimised condition with proposed LTP budget for stormwater pipes

Waterway Lining Assets

Waterway lining assets make up 115km of the stormwater network however there is a focus for council to update the quality of waterway lining data. Estimated remaining useful life of waterway lining from renewal modelling, which was completed in 2015/2016, indicates a portion of lining reaching the end of its useful life within the next couple of year and again in 10 to 15 years. This is due to the large amount of timber lining installed during the 1970/1980s degrading and coming to its end of life. Based on data collected in 2015/2016, this shows that 10% of the waterway lining network is condition grade 4 or 5 with 76% being physically assessed. Recent renewals involve rock linings which has a longer useful life whilst other options include using more natural solutions such as regrading banks and planting to stabilise the ground along these waterways. This is part of an ongoing programme to naturalise waterways where possible.

Sensitivity: General

Open waterway structural assets

Generally, there is low confidence with the data contained in the asset systems on structures within waterways. Many unrecorded structures were identified during previous inspections in 2015/2016, but no additional data has been collected to allow any assessment of remaining useful life using type and age. This stream of work, Council will include this within the Capital Delivery and Asset Management Improvement Plan listed as Item 6 in the Implementation plan (Part A Section 2.3). Of the 140 of the 247 weirs have been assigned condition grades through physical inspection, as have 15 of the 42 debris racks. Weirs that have been assessed are generally in good condition with only 4% assessed as condition grade 4 or 5. 4 of the 42 debris racks have been assessed as condition grade 4.

Pumping Stations assets

Condition assessments have not been carried out at the station level. The installation age asset life is used for conditions at present, with the renewal planning process generally managed at the asset group level based on the asset life for each component. Long and medium range forecasting utilises this information exclusively as a proxy for condition. Short term forecasting and project selection is generated by visiting the stations identified through conversations with operations and maintenance staff as well from the asset data set. Overall condition profile of stormwater pump stations network is shown below in Figure 16. Of the 10% of poor and very poor assets, only a small portion of them are civil and structural assets with Electrical, Mechanical and IAC evenly split.

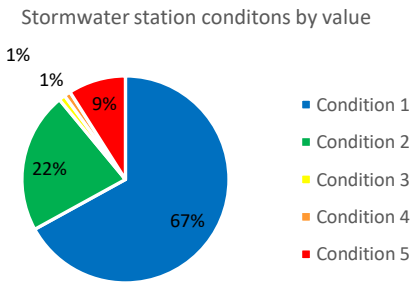

Figure 16 - Stormwater station asset conditions

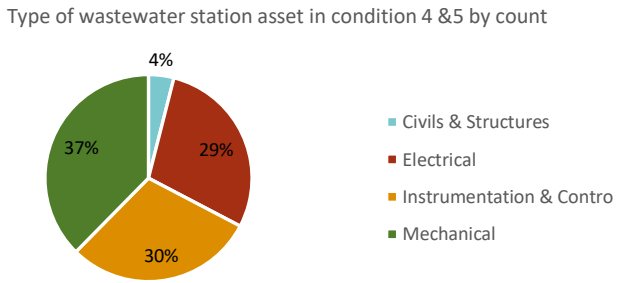

Figure 17 - Stormwater poor & very poor station asset conditions

3.10. Stormwater Assets - Continuous Improvement

A large portion of stormwater assets, both below ground reticulation pipes and above ground assets, are missing data attributes that would allow better management of the assets.

As mentioned in Section 3.8, $1.5 million over three years will be allocated to CCTV inspections with 20% of this proposed to be used on the high Consequence of failure pipes to better understand the overall condition of the reticulation network. A portion of works is to undertake further condition assessments on the water lining assets.

- *Critical water services assets (if available).*

3.11. Critical water services assets

As part of the AAIF tool discussed in Part B Section 3.1, 'criticality', or as the Water Services Business Unit refer it as Consequence of Failure (CoF) grades the importance of individual assets to the delivery of the service. Within the Water Services Business Unit we do not call this criticality, as national data standards limit criticality only to service delivery to customers while with consequences of failure, we are looking at a range of categories. The consequence of failure framework was developed as part of the councils Asset Assessment and Intervention Framework (AAIF) and is aligned with the organisational risk policy. As part of the AAIF tool, consequence of failure is a weighted average of the score from each of the eight categories: Criticality, Infrastructure, Financial, Reputation, Legislative, Environmental, Health & Safety and Service Disruption.

Calculating each consequence of failure sub-schema score uses a combination of parameters, for example diameter and proximity to a road combine to give the Infrastructure CoF on the transport network, as collapse of a large pipe under a main road will have a greater effect on the transport network than collapse of a small pipe or a pipe outside the carriageway. As different numbers of parameters inform each CoF sub-schema, aggregating parameters needs a method that treats each CoF sub-schema equally irrespective of the number of parameters. In general, assets with high consequences of failure receive a higher level of asset management and more proactive interventions compared to other assets.

The consequence of failure in relation to the AAIF tool has only developed for piped reticulation assets. High CoF reticulation assets are those whose failure would likely result in a significant disruption in service, financial, environment and social cost, and therefore warrant a higher level of asset management.

As AAIF only addresses pipes, a basic concept has been applied for station assets where all assets at the station location are given the same criticality score based on the total flow provided by that station. CoF is not a criteria that is used explicitly for treatment assets, however the Water Safety Plans use risk-based assessment that considers such factors as the numbers of customer supplied by the treatment facility. Council do consider pump stations and reservoirs as critical and grade these assets to a criterion mainly based on the pressure zone they service. However, these are not developed enough to provide a consequence of failure to incorporate into the AAIF renewal programmes.

Consequence of failure is rated 1-5 with the neighbouring description listed below.

Table 13 – Reticulation CoF criteria

CoF Score	Description
1	Minimal risk
2	Very Low
3	Moderate
4	Very High
5	Extreme

Sensitivity: General

Water Supply reticulation consequence of failure

Weightings for the water supply activity prioritise the consequences on service delivery to customers (how many properties and the importance of facilities) and service disruption (number of failures affecting the same customers) with a lower weighting on damage to other infrastructure. Figure 18 shows the consequence of failure profiles for the overall reticulation network, with over 90% being of low consequence of failure.

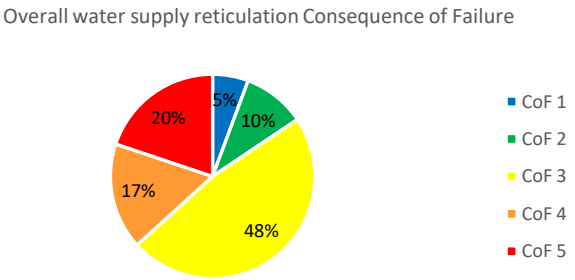

Figure 18 – Water Supply CoF for reticulation assets

The decentralised nature of the Christchurch City water supply network i.e. there are multiple pump stations feeding into each zone for redundancy, meaning that there are few pipes with 'very high' or 'extreme' overall consequence of failure. Figure 19 below shows these 'critical' water supply assets by location within Christchurch City Council area - excluding Banks Peninsula.

Sensitivity: General

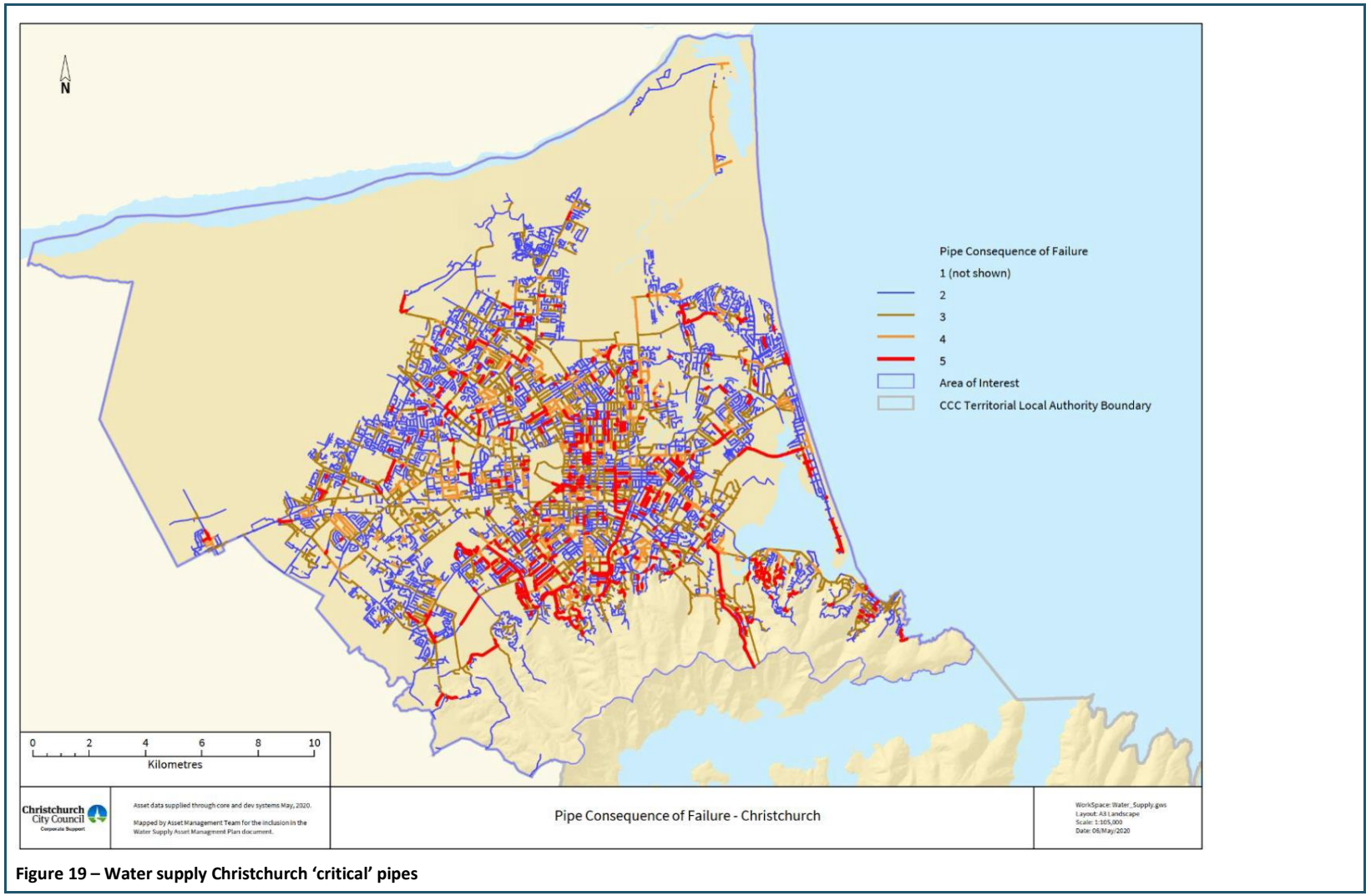

Figure 19 – Water supply Christchurch 'critical' pipes

Sensitivity: General

Water supply stations criticality

Current criticality criteria are based on the sum of electric motor power for direct pumping stations or the total reservoir capacity as shown in the below Table.

Table 14 – Station criticality criteria

Criticality Score	Station Size	Reservoir Storage (m3)
1	Up to 5kW	Up to 25
2	5kW to 22kW	20 to 100
3	22kW to 100kW	100 to 250
4	100kW to 200kW	250 to 500
5	Over 200kW	Over 500

Additionally, stations with generators are classified as criticality 5 since these are needed to meet minimum pressure zone flows or public health protection barriers during outages.

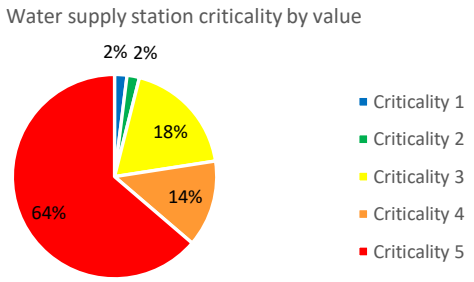

Figure 20 – Water supply CoF for station assets

Sensitivity: General

Wastewater reticulation assets

Some wastewater pipes have a unique consequence of failure as they are archaeologically significant sites requiring special attention if exposed and renewed. Figure 21 shows the consequence of failure for wastewater reticulation assets along with Figure 22 further below shows these 'critical' assets within the Christchurch City Council area - excluding Banks Peninsula.

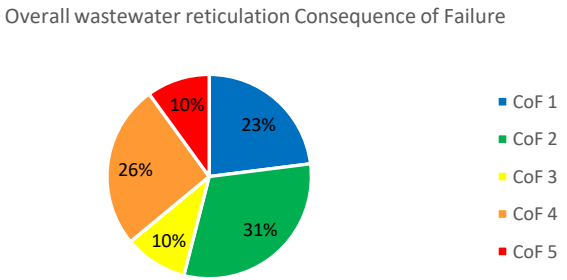

Figure 21 - Wastewater CoF for reticulation assets

Sensitivity: General

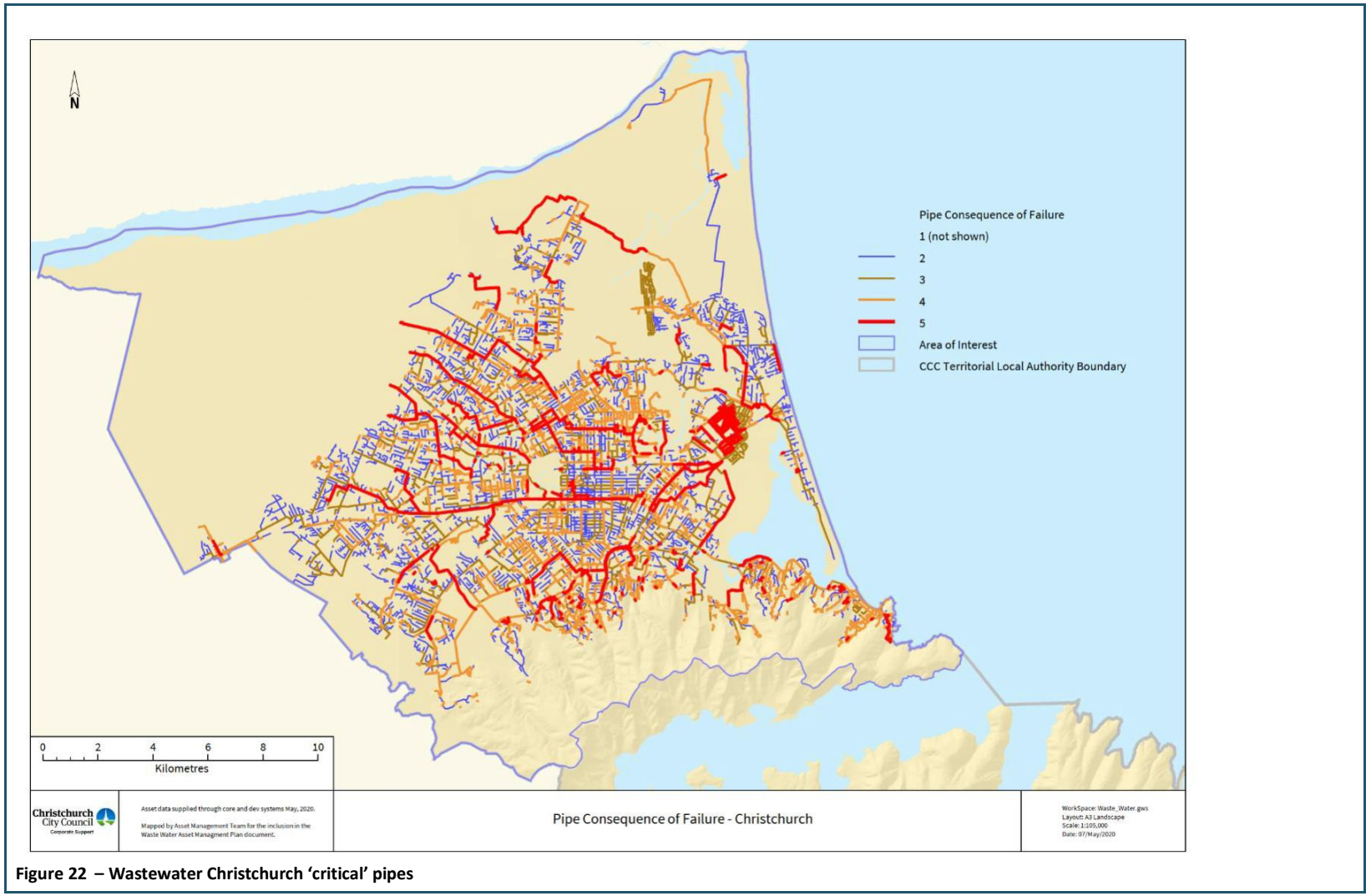

Figure 22 – Wastewater Christchurch 'critical' pipes

Sensitivity: General

Wastewater stations criticality

Current criticality criteria is based on the sum of electric motor power as shown in the Table 15 below.

Table 15 – Station criticality criteria

Criticality Score	Station Size
1	Up to 5kW
2	5kW to 22kW
3	22kW to 100kW
4	100kW to 200kW
5	Over 200kW

Stations with generators are generally classified as criticality 5 with smaller monitoring sites and lift stations classified as criticality 1. Lift stations have bypasses that mean flows are still contained within the network if the lift station is not working. This criticality profile as shown below in Figure 23, shows the distribution of criticality across the station sites in the wastewater portfolio.

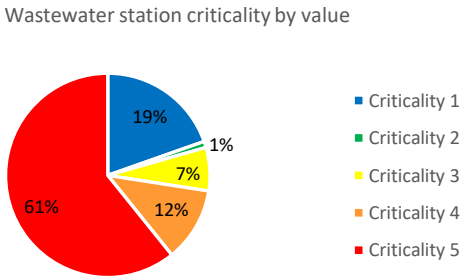

Figure 23 – Wastewater CoF for station assets

Stormwater reticulation assets

There are a number of asset types encompassed within stormwater; however, only piped reticulation critical assets are identified under the consequence of failure schema of the AAIF tool. However, for waterway networks i.e. waterways that are still open or piped along the waterway alignment, a 'criticality' score was determined by a panel of operations staff and has not been included in any AAIF. An assessment was carried out in 2017 to attempt to grade the remaining assets on whether an asset is involved or crosses an attribute, such as a road, rail, community facility or contaminated land GIS parcels. Further additional work is required to align the data and make the data more useable.

Figure 24 shows the consequence of failure profile by length for stormwater reticulation whilst Figure 26 below maps these 'critical' stormwater assets by location for Christchurch City Council - excluding Banks Peninsula.

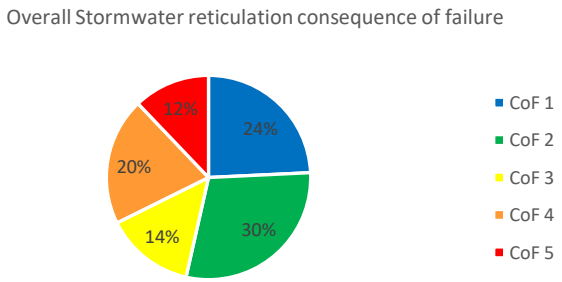

Figure 24 – Stormwater CoF for reticulation assets

Sensitivity: General

Stormwater stations criticality

Current criticality criteria is based on the sum of electric motor power as shown in the Table **16** below.

Table 16 – Station criticality criteria

Criticality Score	Station Size
1	Up to 5kW
2	5kW to 22kW
3	22kW to 100kW
4	100kW to 200kW
5	Over 200kW

The criticality profile as shown below in Figure 23,shows the distribution of criticality across the station sites in the stormwater portfolio.

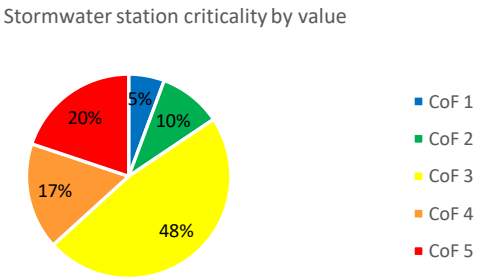

Figure 25 – Stormwater CoF for station assets

Sensitivity: General

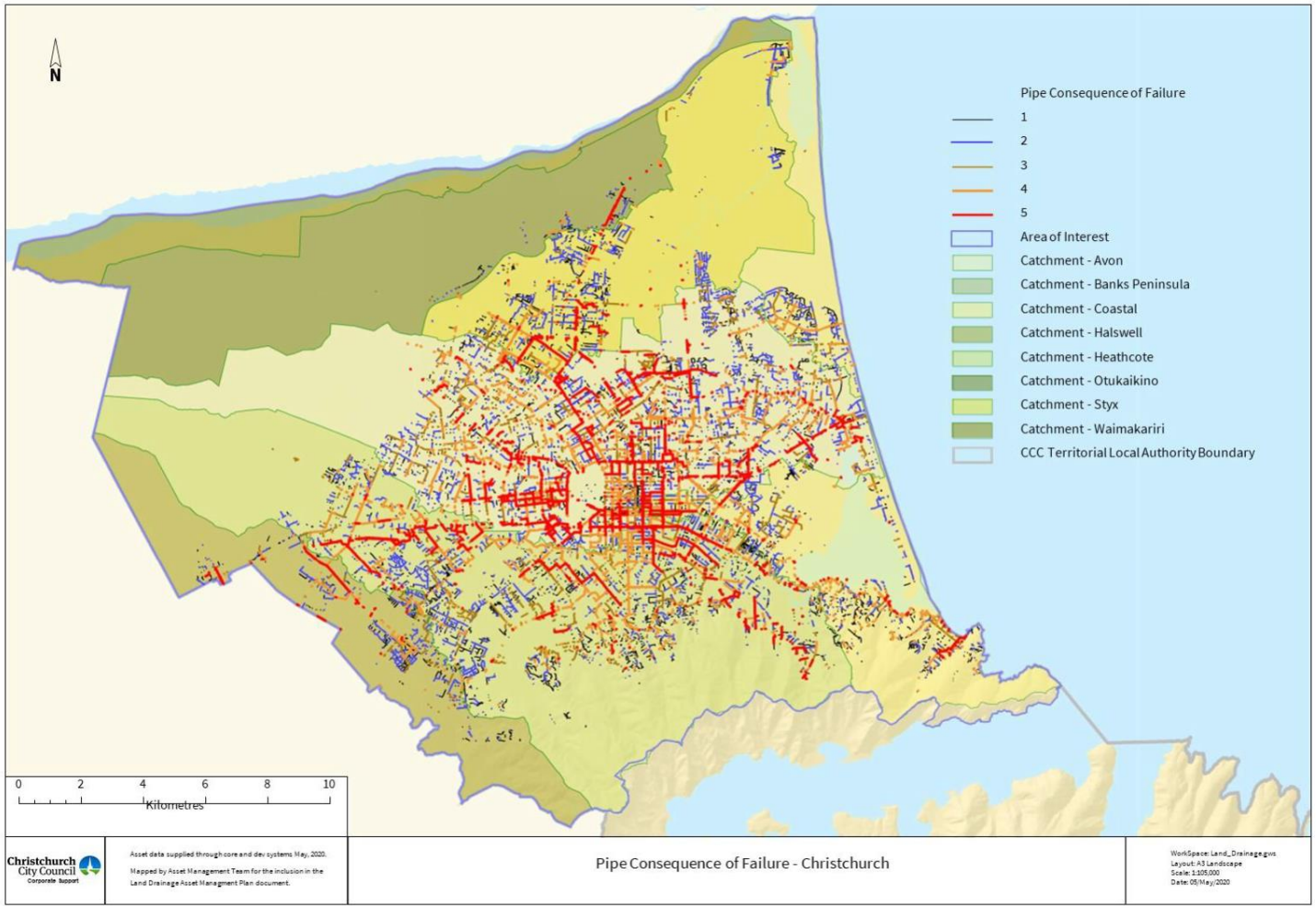

Figure 26 – Stormwater Christchurch 'critical' pipes

3.12. Backlog of water services renewals & maintenance

Asset Renewals

The current status of pipe asset renewals has been informed by analysis undertaken through the Asset Assessment and Intervention Framework (AAIF). This assessment has identified a backlog of pipe renewals, as illustrated in the figures below (Figure 27, Figure 28, Figure 29). While a renewal backlog exists, it is important to note that the volume of pipe assets with a high consequence of failure is low. Staff are actively working to reduce this backlog at a pace that exceeds what is currently provided for in the Long Term Plan, with a focus on addressing risk-prioritised assets. Reflected in Table 32 in Part D Section ii, outlines the level of expenditure on renewals compared to the depreciation of water service assets. Council has a low asset sustainability ratio value due to the fact it recently reduced much of its renewals budget because of the 2010 & 2011 earthquakes which results in Councils infrastructure undergoing significant repairs or replacement. Therefore, funds were put to other priority assets, however a large set of renewal works in FY2026/27 & FY2027/28 is planned to reinitiate the renewal programme.

For non-pipe assets, there is currently no identified renewal backlog. However, over the next two years, the Water Services Business Unit is set to improve asset data and knowledge of actual condition which will improve our understanding of the condition and renewal needs of these assets. This will help confirm whether any backlog exists and inform future investment decisions.

Maintenance

There is currently no maintenance backlog. It is important to recognise that the concept of a maintenance backlog is relative to the maintenance strategy adopted by an organisation. In our case, we are progressing the development of a comprehensive Maintenance Strategy, as outlined in the Implementation plan, Item 9. (Part A Section 2.3). This strategy will clearly define our approach to asset maintenance, including levels of service, risk-based prioritisation, and intervention thresholds. It will also provide a framework for identifying and managing any future maintenance backlog, should one arise.

Sensitivity: General

Water Supply

The below Figure 27 shows the forecasted end of useful life of the reticulation network which gives an indication of the current backlog.

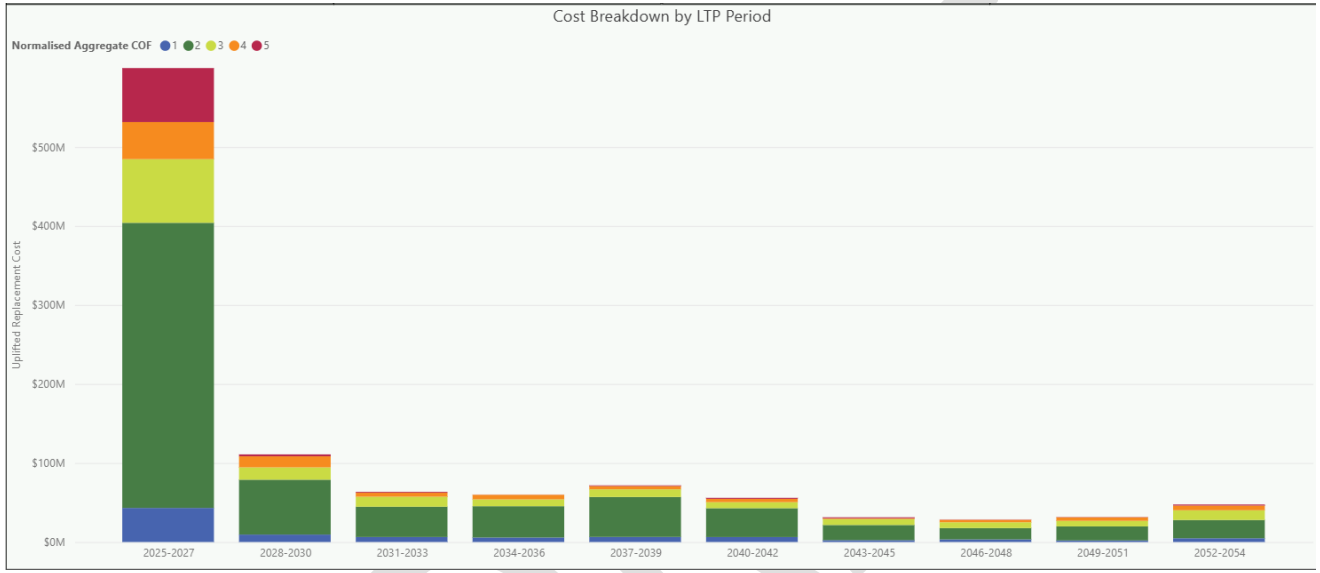

Figure 27 – Water supply renewals forecast for reticulation assets – including backlog

Sensitivity: General

Wastewater

The Figure below shows the forecasted end of useful life of the pipe network which gives an indication of the current backlog.

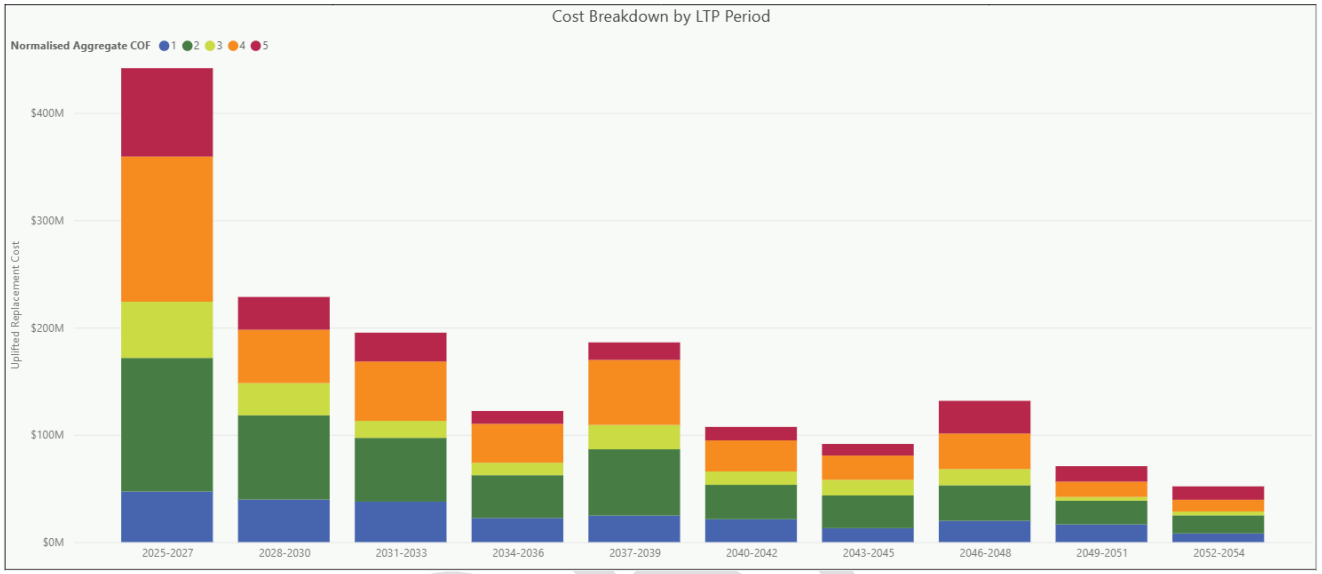

Figure 28 – Wastewater renewals forecast for reticulation assets – including backlog

Sensitivity: General

Stormwater

The figure below shows the forecasted end of useful life of the reticulation network which gives an indication of the current backlog.

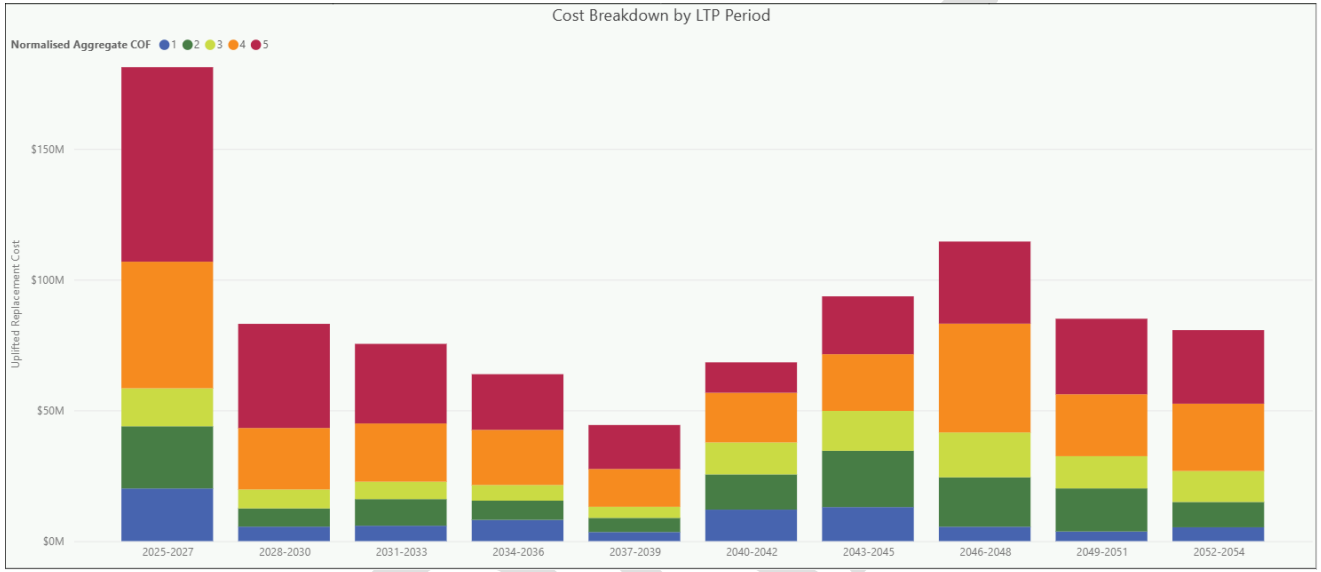

Figure 29 – Required stormwater main renewals budget

Sensitivity: General

4. Asset management approach

In this section, Plans must briefly describe the asset management approach being used or proposed for future delivery model, including capital, maintenance, and operational programmes for delivering water services. This may include:

- *Existing and proposed service delivery mechanisms;*

4.1. Service delivery mechanisms

Council will continue to deliver waters services using both in-house and external resources. The Water Services Business Unit consists of planners, asset management, compliance, operations and project managers. To maintain the delivery of renewal projects whilst balancing the requirements to meet demand or compliance, Council utilise external parties such as consultants and contractors, which allows council to scale up where needed. Council produces work through panels which provided an efficient means to get projects to market with competitive process. Council utilises these panels for both professional services and physical contractors.

Operating and Maintenance programmes for the network are delivered by a mixture of internal and external maintenance contractor, currently CityCare, are responsible for the operation and maintenance of the water network. Note that Council is currently in the process of tendering the Operational and Maintenance Contracts.

The wastewater treatment plants are managed by Councils in-house and onsite operation teams.

An outline of the responsibilities are outlined below in Figure 30.

Sensitivity: General

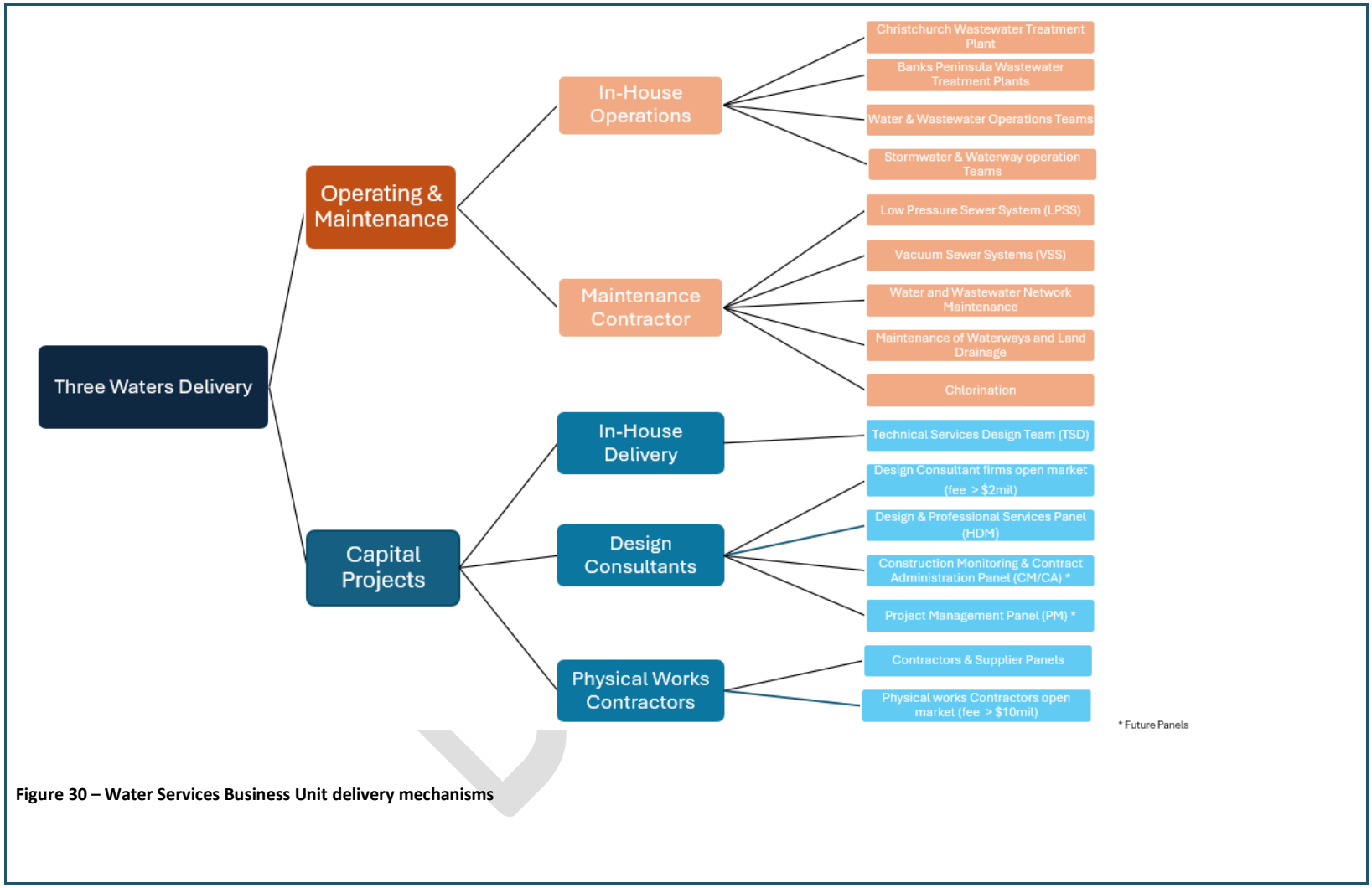

Figure 30 – Water Services Business Unit delivery mechanisms

- *Existing and proposed asset management systems;*

4.2. Asset management systems & products

Council currently utilizes a range of complex information systems to manage its data and assets. For the Water Services Business Unit, the Asset Management team use a core set of products to actively manage the network efficiently and the correct data is fed into renewal programmes and maintenance works.

The Water Services Business Unit has its own standalone Business Intelligence (BI) team that manages data storage and data ingestion to ensure the systems and products are linked. This team collects, analyses, and visualises data from water services to help Council understand performance, identify trends, and forecast future needs. This enables Council to make smarter data-driven decision that benefit both Council and the community. Council also has its own in-house IT department that manages any of the licenses and work alongside the BI team to ensure the systems are running smoothly.

A list of products that Council use are listed below:

InfoAsset

The Water Services Business Unit utilizes InfoAsset to store, analyse, and manage a wide range of water infrastructure assets. InfoAsset is a specialized asset management tool that supports efficient planning and operational decision-making by enabling the Council to maintain detailed records of asset condition, maintenance history, and inspection data. A key function of InfoAsset is its role in storing CCTV inspection footage and related data for the underground pipe network, particularly in wastewater and stormwater systems. This CCTV information provides critical insights into pipe condition and performance. The data captured in InfoAsset is then integrated into the AAIF, allowing for centralized access, improved analysis, and more coordinated asset planning and investment across the Water Services Business Unit.

AAIF

The Asset Assessment Intervention Framework was developed in-house for determining and prioritising pipe renewal requirements through a multi-criteria assessment as outlined in detail in Part B Section 3.1. It grades a one to five score for each of four main criteria. Condition, Degradation and RMO give the likelihood of failure occurring while Consequence of failure is dependent on eight supporting criteria, which gives the consequences of failure for an overall risk-based renewals planning process. Council continue to manage and update this in-house.

SAP

Christchurch City Council primarily uses SAP as its core system for financial management and as the system of record for its assets. SAP is leveraged to track financial transactions, link operational costs to specific assets, and manage the performance and lifecycle of water infrastructure. Within the Water Services Business Unit, SAP plays a key role by storing detailed asset data, particularly for critical infrastructure such as pump stations and treatment facilities. While some asset information related to the reticulation network is also maintained, the system is mainly focused on housing data for larger, fixed assets. This integration of financial and asset data within SAP allows the Council to make informed investment decisions, ensure regulatory compliance, and support efficient operations across its water services. Software licenses are managed in-house by the IT team.

Sensitivity: General

GIS

Council uses GIS to spatially visualize, manage, and analyse its infrastructure assets. This includes mapping and monitoring the entire network of pipes, treatment plants, reservoirs, and drainage systems, allowing councils to quickly identify faults, leaks, or blockages, as well as linking them to critical data like maintenance history, performance metrics, and financial information. By analysing spatial data, councils can plan maintenance schedules, prioritize repairs, and optimize the delivery of clean water while preventing contamination. GIS also supports flood risk management by modelling stormwater flow and identifying vulnerable areas, helping to protect communities from water-related hazards. Overall, GIS enables councils to efficiently manage water resources, improve service reliability, and safeguard public health.

There are no immediate changes proposed to the systems and products used to manage and capture water services assets, however the Water Services Business Unit understand from reviewing its condition data as outlined in Part B Section 3, it highlights the need to improve its asset data confidence as part of its Asset Data base Review and update as part of the Item 9 in the implementation plan (Part A Section 2.3).

- *Supporting asset management policy or framework; and*

4.3. Asset management policy

The Christchurch City Councils Asset Management Policy will continue to provide the organisation's long-term vision, values and direction for asset management. The current policy relates to Council's overarching intentions for asset management and the asset management system and not specifically assets or asset decisions. The policy's statement is: *"The council will apply an organisation-wide approach to asset management, which aligns with the council's vision, community outcomes and strategic priorities, and is appropriate to the assets, services and risks being managed".*

The five principles underpinning the policy are:

- Asset management outcomes align with the strategic direction of council
- Asset management is an organisational wide practice
- Decisions about assets are based on well-managed, quality information
- Asset management maturity is appropriate to the assets, services and risks we manage
- Asset management plans are living documents

A new policy is currently in the process of being updated and is currently being reviewed by Council.

Upon completion of the Capital delivery and Asset Management Improvement Plan outlined the implementation plan, the Water Services Business Unit may investigate creating a standalone Water Services Business Unit Asset Management Policy to better align with any requirements under the *Local Government (Water Services) Bill*. However at the moment, the Councils overall policy aligns with water services objectives and promotes responsible management of assets to deliver value to customers and support business objectives, in accordance with ISO55001.

- *Asset management maturity assessment (if available).*

4.4. Asset management maturity assessment (AMMA)

Council carries out an asset management maturity assessment (AMMA) every three years. A complete asset management maturity assessment was run in 2020 for water supply, wastewater and stormwater. Following the review, the result was defined as "intermediate or advanced level for most functions".

In 2023, another AMMA was run, but this was a very specific assessment focusing on a core selection of topics, which generated a more compiled assessment of water services. These topics included asset condition and performance, asset financial planning and management, asset data and information, asset management information and systems, asset management process management, outsourcing and procurement and continuous improvement. The result of this AMMA, determined that water services unit was rated at a "core or intermediate level" for the essential asset management functions.

As part of these asset management maturity assessments, Council has stated it will put an emphasis on increasing asset management maturity. On this basis, improvement plans will be included as part of the Asset Management Improvement Plan in item 6 of the Implementation Plan (Part A Section 2.3) to improve the level of asset management maturity.

5. Statement of regulatory compliance

Disclaimer:

During the process of writing this Water Service Delivery Plan, there does not appear to be an alignment or shared common approach on reporting compliance information from external agencies. Definitions and KPIs differ which may cause confusion to the public as it may be compliant for one agency whilst non-complaint for another. Therefore, for transparency and consistency, Council have based the information reported in this Water Service Delivery Plan on what is reported to the Water Services Authority/Taumata Arowai.

The purpose of this section is to describe:

- *Any significant resource consents held by the council or councils, the type of consent, and their expiry date;*
- *Any expired consents that are currently being renewed under section 124 Resource Management Act 1991;*

5.1. Resource consents

Outlined below is a list of all current resource consents and any consents Council have in the application stage.

Significant current resource consents

As "significant consents" is not defined, Council has interpreted this to include the ones reported to Water Servies Authority/Taumata Arowai in the Network Environmental Performance Measures (NEPM*): "D-EH8 Number of resource consents that are held (report at a network level): provide the total number of resource consents related to the current operation of the drinking water network*".

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Table 17 – Significant resource consents

Water Services	Location	Type	No.	Description	Expiry
Water Supply	Network Wide	Take Consent	14	To take and use water for public	Ranging from Year 2028 – Year 2046
	Duvauchelle, Little River, Birdlings Flat, Wainui (WWTPs)	Discharge Consent	4	Discharge to land & water to discharge sand filter backwash water from treatment plants	2028,2044,2047,2046
Wastewater	Wainui, Tikao Bay, Christchurch, Okains Bay (WWTPs)	Discharge Consent	4	Discharge to land	2038,2038, 2046,2046
	Akaroa, Christchurch, Duvauchelle (WWTPs)	Discharge Consent	7	Discharge to air	Ranging from Year 2030-Year 2054
	Christchurch City wide	Discharge consent	1	Discharge to water	2029
Stormwater	Network Wide	Discharge consent	1	Discharge to water	2044

Note:
There are no expired consents for the Water Services Business Unit being renewed under *Section 124 of the Resource Management Act 1991*.

- *Any active resource consent applications;*

  Current resource consent applications

Table 18 –Resource consents applications

Three Water	Location	Type
Water Supply	Okains Bay	Water take Consent
Wastewater	Akaroa Treated Wastewater Irrigation Scheme	Land use to construct and operate treatment plant site
	Akaroa Treated Wastewater Irrigation Scheme	Discharge treated wastewater to land and air discharge
	Akaroa Treated Wastewater Irrigation Scheme (Duvauchelle)	Land use to construct and operate treatment plant site
	Akaroa Treated Wastewater Irrigation Scheme (Duvauchelle)	Discharge treated wastewater to land and air discharge
	Okains Bay	Water discharge & land use for treatment plant site
	Christchurch Wastewater Treatment Plant	Land use for the treatment plant site
	Christchurch Wastewater Treatment Plant	Amendment to water take consent for relocated bore
	Tikao Bay Wastewater Treatment Plant	Land use for the treatment plant site
	Wainui Wastewater Treatment Plant	Land use and air discharge for new treatment plant site
Stormwater	Nil	Nil

Sensitivity: General

- *Whether and to what extent water services comply with current regulatory requirements;*

5.2. Regulatory requirements

The activities that Council undertake for resource consent compliance includes ongoing monitoring of water source taking flows along with discharge quality/quantity of stormwater and treated wastewater. Council also monitors the receiving environment from discharges as part of resource consent conditions.

Legislative compliance

For water quality and quantity management, routine sampling and operational performance provides compliance with the drinking water standards for New Zealand and the drinking water quality assurance rules. In addition, laboratory services analyse water samples to check source, treatment and distribution processes to demonstrate compliance with New Zealand drinking water standards and water quality assurance rules, along with ensuring consent discharge are within the current regulatory requirements.

- *Whether and to what extent water services will comply with any anticipated future regulatory requirements;*

Anticipated future regulatory requirements

In the long-term, water service asset management is expected to align with Te Wai Ora o Tane – Integrated Water Strategy, which sets out the Council's vision, goals, objectives and suggested implementation for work in the water supply, wastewater and stormwater areas.

The drinking water regulatory environment in New Zealand is changing. Water Services Authority/Taumata Arowai is reviewing the drinking water quality assurance rules for level 3 supplies (population >500). Council has been part of a research project between Council, the Water Services Authority/Taumata Arowai, Institute of Environmental Science and Research, and ECAN which has provided support that the two urban supplies' source water do not currently have evidence of the presence of viruses. The intent of this research will be to inform proposed amendments by the Water Services Authority/Taumata Arowai to the Drinking Water Quality Assurance Rules in relation to bacterial and viral compliance and it's expected that some of the requirements for bacterial compliance will change, such as the introduction of a virus chapter.

Council will continue to work with Water Services Authority/Taumata Arowai to ensure an informed decision about the new requirements under this section is taken.

For wastewater, Council also will need to comply with new environmental standards which may require a focus on reducing overflows and altering discharge requirements. The current resource consent requirements are less stringent than the proposed wastewater environmental standards, therefore it is expected that the impact on the compliance aspect will be low risk. A list of capital projects that reflect these compliance measures is listed in Part B Section 6.1.

The *Local Government (Water Services) Bill* and *Water Services Act* proposed that water service providers must make a series of plans to meet legislative requirements. Council is aware of these new requirements and undertook a gap analysis so the Water Services Business Unit could understand what further work is required. Council has the resources required to make the plans, while also working on service level agreements with other council's units to address the policy and legal aspects of these plans. The most relevant plans that Council will need to complete are:

- Drinking water catchment plans (resources already in place, processes to be set)
- Trade waste plan (resources and processes already in place)
- Stormwater network risk management plan (resources and processes already in place)
- Water services strategy (resources or processes in place)
- Water services annual report (resources and processes to be determined)
- Wastewater network risk management plan (resources already in place, processes to be set)

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- *Whether any water services are not expected to comply with current regulatory requirements or are not expected to comply with any anticipated future regulatory requirements, and if so:*
- *A description of the actual or potential non-compliance; and*

Current non-compliances

The parameters listed in Table 19, Council is not compliant with Drinking Water Quality Assurance Rules (Bacteria (E. coli) and Protozoa) in relation to eight drinking supply schemes that Council manages, Christchurch, Brooklands/Kainga, Akaroa, Duvauchelle, Little River, Birdlings Flat, Pigeon Bay and Wainui. Exception being Pigeon Bay which is compliant with Protozoa.

The Class 1 programme to demonstrate protozoa compliance in Christchurch City has been completed in April 2025, meaning that 44 out of 46 treatment plants are now classified as Class 1 and therefore protozoa compliant, hence additional treatment barriers for protozoa aren't required. For water sources that don't meet the Class 1 status criteria we have work under way to make the supplies compliant. The Christchurch supply had two water treatment plants (Main Pumps and Tanner Street) that required UV treatment to comply with the protozoa rules. Main Pumps has UV in place now and is therefore protozoa compliant. We're currently working on installing a protozoa barrier at Tanner Street, as outlined in the capital projects (Part B Section 6.1), which will be compliant by the end of the year.

On Banks Peninsula water is mostly sourced from streams and requires protozoa treatment. The exceptions are Birdlings Flat and Wainui, where water is sourced from aquifers. Birdlings Flat already has UV system in place, and because the Wainui Treatment Plant bore is shallower than 30m it also requires a protozoa barrier. A project is underway to install a UV barrier at the Wainui Treatment Plant.

Once those projects are completed, 100% of our water supply systems will have barriers in place to comply with Drinking Water Quality Assurance Risk and within the deadline provided by Water Service Authority/Taumata Arowai.

To achieve bacterial compliance in the distribution systems, we need to install continuous water quality monitoring as well as complete some treatment plant upgrades in Banks Peninsula and Christchurch.

We currently are not able to comply with bacterial compliance requirement in our treatment plants in Christchurch, and with the current Drinking Water Quality Assurance Rules for Level 3, Council don't have a pathway to compliance. This is mainly because the current rules require a chlorine contact time at each of the 46 treatment plants, that Council can't provide due to the infrastructure. To become compliant in this aspect, would require constructing considerable suction tanks and related infrastructure in most of the 46 treatment plants, which is not achievable due to the necessary investment and locations. Water Service Authority/Taumata Arowai is aware of this aspect, and we are expecting that the review of the Level 3 rules will address this aspect. The recent achievement of class 1 for most of the sources as well as the promising results of the virus research, will help to inform a more holistic approach of the level 3 rules in the current review process.

All the drinking supply schemes are compliant with chemical conformity with 0 notices in place in all eight drinking supply schemes. In addition, no water restrictions have been in place in the last three years except for Akaroa and Duvauchelle in FY24 (02/02/24 – 11/04/24) Level 2.

Council currently don't have any significative non-compliance for water services consents.

- *A description of how the proposed delivery model or arrangements provided under the Plan will assist to ensure water services will comply.*

Compliances

Under the in-house model, the Council retains direct responsibility for ensuring compliance with regulatory requirements for water services. The regulatory requirements for the in-house delivery model will be compliant with current standards, with a clear framework for adapting to future requirements. This includes meeting requirements in the *Local Government (Water Services) Bill*, requirements set by Water Services Authority/Taumata Arowai for water quality, adhering to environmental guidelines, and complying with economic regulations overseen by the Commerce Commission as listed in item 13 in the implementation plan (Part A Section 2.3).

As listed in Section 6, Council is implementing a large capital investment programme to install new permanent chlorination equipment and controls to meet water quality requirements. These measures will mitigate the non-compliances that Council currently has with regards to its eight drinking supply schemes. This work will replace any temporary equipment that was installed, to ensure Council meet the level of service expected and the regulatory requirements in the future.

Currently 99% of water supply resource consent conditions are compliant, while wastewater resource consent conditions are 96% compliant. Stormwater resource consent conditions are 100% compliant. None of the non-compliant conditions are significative, and all of them have an action plan underway.

The Water Services Business Unit has a dedicated team to monitor, escalate and address legislative and consent non compliances. The drinking water safety plans identify, score and address the risks to the water supply systems. Those risks are then raised to the Water Services Planning team ensuring they are scoped, prioritised and included in the LTP. This creates certainty that the risks are addressed and provides a pathway and timeframe for compliance. Once the *Local Government (Water Services) Bill* is approved, the same process will be applied for the risks identified in the stormwater and wastewater network risk management plans.

It is expected that in this section, Plans will also describe how the Plan ensures that the council (or councils for a joint Plan) will meet all relevant regulatory quality standards for its water services.

Council in its Water Safety Plans has a comprehensive action plan that addresses both: the unacceptable risks to ensure water safety and the legislative requirements to become compliant. These actions have been converted into projects with some of these projects underway, listed in further detail in Part B Section 6.1. Council also have projects underway, included in capital projects to upgrade the temporary chlorination to a permanent system as well as installing continuous water quality monitoring and several Banks Peninsula treatment plant upgrades.

Council also has implemented several projects to improve stormwater quality aligned to meet consent compliance, especially regarding to the content of lead, copper, zinc and sediments at the discharge points and the receiving environment. Council already undertake other activities related to change behaviour, community initiatives, planting and industrial site audits, with a collaborative approach with the community and mana whenua (Te Whaka-Ora, Community Waterways Partnership, etc.)

Sensitivity: General

Table 19 - Quality and Compliance parameters for Water Services Business Unit

(information based in report on compliance to Water Services Authority/ Taumata Arowai)

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
Drinking water supply • Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water[4] • Water restrictions in place (last 3 years) • Firefighting sufficient	**1. Christchurch** • No. 4% compliant • No. 79% compliant • Yes • 0 notices in place for last 3 years • No • 262 l/person/day • No • Yes	N/A	N/A
• Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water[4] • Water restrictions in place (last 3 years) • Firefighting sufficient	**2. Brooklands/Kainga** • No. 4% compliant • Yes • Yes • 0 notices in place for last 3 years • No • 267 l/person/day • No • Yes	N/A	N/A
• Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water[4] • Water restrictions in place (last 3 years) • Firefighting sufficient	**3. Akaroa** • No. 90% compliant • No. 90% compliant • Yes • 0 notices in place for last 3 years • No • 711 l/person/day[5] • Yes. FY24 (02/02/24 – 11/04/24) Level 2 • Yes	N/A	N/A
• Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water[4] • Water restrictions in place (last 3 years) • Firefighting sufficient	**4. Duvauchelle** • No. 96% compliant • No. 92% compliant • Yes • 0 notices in place for last 3 years • No • 311 l/person/day • Yes. FY24 (02/02/24 – 11/04/24) Level 2 • Yes	N/A	N/A
• Bacterial compliance (E.coli)	**5. Little River** • No. 77% compliant	N/A	N/A

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• Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water[4] • Water restrictions in place (last 3 years) • Firefighting sufficient	• No. 67% compliant • Yes • 0 notices in place for last 3 years • No • 76 l/person/day (not all connected) • No • Yes		
	6. Birdlings Flat	N/A	N/A
• Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water[4] • Water restrictions in place (last 3 years) • Firefighting sufficient	• No. 87% compliant • No. 92% compliant • Yes • 0 notices in place for last 3 years • No • 116 l/person/day • No • Yes		
	7. Pigeon Bay	N/A	N/A
• Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water[4] • Water restrictions in place (last 3 years) • Firefighting sufficient	• No. 96% compliant • Yes • Yes • 0 notices in place for last 3 years • No • 257 l/person/day • No • Yes		
	8. Wainui	N/A	N/A
• Bacterial compliance (E.coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water[4] • Water restrictions in place (last 3 years) • Firefighting sufficient	• No. 91% compliant • No. 53% compliant • Yes • 0 notices in place for last 3 years • No • 294 l/person/day • No • Yes		

[4] *Based on FY24 water supplied, less real water loss estimates less commercial consumption divided by Census 2023 population.*

[5] *This usage is known to be high and smart customer meters are being rolled out to identify the issues including water losses – both public and private*

Sensitivity: General

Table 20 – Resource Management for the Water Services Business Unit

(information based in report on compliance to Water Services Authority/ Taumata Arowai)

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
Resource Management			
• Significant consents (note if consent is expired and operating on S124)	• See Table **17**	• See Table **17**	• See Table **17**
• Expire in the next 10 years	• 10	• 4	• 0
• Non-compliance:			
• Significant risk non-compliance	• 0	• 0	• 0
• Moderate risk non-compliance	• 0	• 8	• 0
• Low risk non-compliance	• 0	• 0	• 1
• Active resource consent applications	• See Table **18**	• See Table **18**	• See Table **18**
• Compliance actions (last 24 months):			
• Warning	• 0	• 0	• 0
• Abatement notice	• 0	• 0	• 0
• Infringement notice	• 0	• 0	• 0
• Enforcement order	• 0	• 0	• 0
• Convictions	• 0	• 0	• 0

Sensitivity: General

6. Capital and operational expenditure to deliver water services and comply with regulatory requirements

In this section, it is expected that Plans will highlight significant capital projects included in projected investment requirements. Significant projects are those that will achieve compliance, LOS, and enable growth. They should also include significant renewals and upgrades of the networks.

This section should include projects that may not currently be identified in the Long-Term Plan but are deemed to be a significant project over the following 20 years.

In this section, Plans must provide details on the capital expenditure required (for a period of not less than 10 consecutive financial years starting with the 2024-25 financial year) to deliver water services and ensure that water services comply with regulatory requirements.

In describing the capital expenditure required over 10 years to deliver water services, it is expected that councils will ensure that the level of investment:

- *Meets existing and proposed levels of service;*
- *Enables the operation, maintenance and renewal of network assets;*
- *Meets regulatory requirements; and*
- *Provides for growth to the extent it supports the council's housing growth and urban development, as specified in the council's current Long-Term Plan.*

Christchurch City Council has a responsibility to ensure that its infrastructure and water services are managed in a way that supports the environment, social, cultural and economic wellbeing of current and future generations. The planning and delivery of water services requires a clear understanding of the investment needed to meet future demand, undertake renewals, and ensure the effective operation and maintenance of infrastructure assets.

Below outlines key projects and investment that is designed to:

- Align with existing and proposed Levels of Service (LoS),
- Ensure compliance with regulatory and environmental requirements,
- Support population and housing growth in accordance with the Council's current Long-Term Plan.
- Enable the ongoing operation, maintenance, and renewal of water network assets,

Capital expenditure covers projects required to achieve compliance, maintain or enhance levels of service, and facilitate network expansion to accommodate future growth. Operational expenditure ensures the sustainable, day-to-day functioning of services and assets.

6.1. Capital Expenditure Projects

Moving forward into the next 30 years, there are a number of specific challenges that need to be mitigated or addressed to ensure Council provide a level of service to the community. These include aging infrastructure, new regulations, service delivery reform, climate change, risk, resilience and, demand management. The current capital programme has been designed to balance between deliverability and achieving a level of service.

Below is only a selection of capital projects, for a full list of significant capital projects, refer to Part F Section i.

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Priorities

Council's immediate priorities will be to focus on renewing assets with the highest criticalities or poor performance to ensure the level of service is met. Whilst planning for pipeline renewals is well advanced further work is required to improve renewal planning for non-reticulation assets. Another priority is the development of a strategy for optimising proactive renewals mainly for the mechanical and electrical, instrument and control (EIC) assets. This set of works will be included within the Capital Delivery and Asset Management Improvement Plans outlined in Item 6 of the Implementation Plan (Part A Section 2.3).

Projects to meet additional demand

Apart from ongoing renewal programmes, Council have also implemented programmes to account for the future growth expected of the city, with additional pump stations and wells for water supply, along with upgrading original pump stations or storage facilities for both water supply and wastewater.

Some notable projects to meet additional demand and improve resilience include:

- Water Supply – Ferrymead capacity upgrade including new pump stations and groundwater abstraction wells
- Water Supply - Moorhouse Avenue new pump station to cater for future growth in the central water supply zone.
- Wastewater – Grassmere storage tank, pump station and pressure main to reduce wet weather sewage overflows and provide capacity for new development.
- Wastewater - Tyrone pump station capacity renewal to accommodate growth in the Belfast area.

For stormwater and flood protection, multiple projects within the next three years are set to kick off to increase the detention and treatment of stormwater runoff in areas that have been highlighted as areas of growth in the district plan. These areas include:

- Flood Protection – Styx Catchment retention and detention basins to support growth in these areas such as Belfast and Highfield. An additional part to this programme of works is the purchase of greenfield land to set aside and construct a first flush basin and stormwater wetland for the area.
- Flood Protection – Cashmere Street naturalisation and provision of stormwater treatment basins to manage stormwater runoff from 190 hectares of greenfield land proposed for residential development in the Halswell area.

Councils may refer to their 30-year Infrastructure Strategy, where proposed investment outside of the 10-year Plan period will respond to or have a material impact on the matters set out in the bullet points above.

Councils are encouraged to comment on:

- *How the proposed investment leads to an uplift (or maintains) the current level of service; and*
- *Benefits to communities from the proposed level of investment in terms of levels of service, compliance with regulatory requirements and providing for growth.*

Projects to improve the levels of service and/or compliance

Investment decisions have primarily been driven to meet the Level of Service (LoS) defined in the Long Term Plan. There are some investments that are not linked to any LoS but have been requested by elected members. Significant work is undertaken by staff to develop long-term investment requirements, and work continues to support future requests in investment for the Water Services Strategy. Currently Council is non-compliant by regulations set out by Water Services Authority/Taumata Arowai and the Drinking Water Quality Assurance in relation to providing 'safe drinking water'. This level of service criteria is important, and a large capital investment programme is underway to install new

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permanent equipment and controls to meet water quality requirements. However as outlined in more detail Part B Section 5.2, Council has been part of a research project to determine if the urban source water can inform any proposed amendments by the Water Services Authority/Taumata Arowai to the Drinking Water Quality Assurance in relation to bacterial and viral compliance. This may change the requirements set out by the Water Services Authority/Taumata Arowai and Council will adjust it programme where necessary. However, until this has been confirmed, Council have budgeted to replace any temporary chlorination equipment to ensure Council meet the level of service expected and the current regulatory requirements. Council will continue to work with Water Services Authority/Taumata Arowai to ensure an informed decision about the new requirements are undertaken as outlined further in Part B Section 5.2. For wastewater, Council also may need to comply with new environmental standards which may require a focus on reducing overflows and different discharge requirements.

Capital work projects that will address those non-compliances involve:

- Water Supply –Implementation of new chlorination equipment and controls to meet the requirements set out by Taumata Arowai.
- Water Supply – Smart water meter rollout to provide more details water usage data for better water management and billing.

In addition to the projects occurring in the immediate Christchurch City area, Council is undertaking capital work projects in Banks Peninsula to better support the area and provide a better level of service to the community involve:

- Water Supply – Port Levy water supply system providing safe and reliable drinking water to a community of 40 that previously have not had access to mains water.
- Water Supply – Okains Bay new water supply to provide drinking water to the residents and visitors and ensure it meets New Zealand drinking water standards.
- Wastewater – Akaroa Reclaimed water treatment and reuse scheme to provide alternative and improved treatment to meet cultural resource consent conditions.
- Wastewater – Duvauchelle wastewater treatment and disposal upgrade

Projects that benefit the community

A large focus for the Council is to improve the long-term sustainability of Christchurch City's water supply to ensure safe drinking water for the community. This may involve replacing existing assets or upgrading the network. Over the next 10 years Council has a plan to roll out smart metering and volumetric charging for the city's water supply to reduce water consumption and to improve the long-term sustainability of Councils water take.

Councils goal to reduce the environmental impact and comply with regulatory requirements, involves reducing the amount of contaminated water and wastewater overflows into the environment. Wastewaters overflows can occur in two different ways. Dry weather overflows which result from blockages or pipe breaks and wet weather overflows which are caused by wastewater systems becoming inundated with water during wet weather events. Council currently has a wastewater overflow consent from Environmental Canterbury, which allows the discharge of untreated wastewater to water ways during large storms.

Individual projects included in the capital works programme proposed to mitigate these overflow issues to provide more healthy waterways for the community and natural environment include:

- Wastewater - Selwyn pump station upgrades to reduce wastewater overflows to the Heathcote River so that compliance with the wet weather overflow consent can be achieved.
- Wastewater - Riccarton Interceptor to reduce overflows to the environment whilst providing for future growth
- Wastewater - Grassmere storage tank, pump station and pressure mains to reduce wet weather sewage overflows.

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- Stormwater – Addington Brook and Riccarton stream drainage filters using a natural installed Filterra Bioscope to filter runoff from industrial areas within the catchment.
- Stormwater – Port Hills revegetation and sediment control to reduce the amount of sediment being eroded from the hills and currently being washed into the Heathcote river and Ihutai-Estuary.

This section requires the population of the following summary table of projected investment requirements. ($000)

A list of capital expenditure investment over the course of the delivery plan are listed below in Table 21 - Capital expenditure in the next 10 financial years for Water Services Business Unit.

Projected investment in water services ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	5,831	4,080	7,445	18,482	19,739	21,345	13,986	5,796	9,230	9,414
Capital expenditure - to improve levels of services	12,477	15,180	13,973	8,930	8,415	12,064	10,050	15,906	15,292	10,060
Capital expenditure - to replace existing assets	56,713	51,068	55,661	69,497	61,173	53,897	72,520	75,357	70,700	69,127
Total projected investment for drinking water ($'000)	75,022	70,329	77,080	96,910	89,327	87,306	96,556	97,058	95,222	88,602
Wastewater										
Capital expenditure - to meet additional demand	5,097	13,229	13,120	5,604	2,274	3,590	2,832	1,242	1,425	3,298
Capital expenditure - to improve levels of services	14,768	23,576	53,007	47,687	36,392	24,542	9,384	8,990	5,575	1,354
Capital expenditure - to replace existing assets	54,622	90,365	98,651	76,971	51,167	50,225	52,344	66,380	71,824	74,967
Total projected investment for wastewater ($'000)	74,486	127,170	164,777	130,263	89,832	78,356	65,560	76,612	78,823	79,619
Stormwater										
Capital expenditure - to meet additional demand	14,479	22,006	18,330	19,230	13,662	14,476	9,497	3,868	9,973	11,461
Capital expenditure - to improve levels of services	13,481	13,471	39,731	48,900	50,238	57,494	57,204	59,767	58,854	81,983
Capital expenditure - to replace existing assets	29,082	26,439	17,106	16,620	11,039	11,688	22,411	22,823	20,857	14,885
Total projected investment for stormwater	57,043	61,917	75,168	84,751	74,940	83,659	89,113	86,459	89,685	108,330
Total projected investment in water services ($'000)	206,551	259,415	317,025	311,924	254,099	249,321	250,229	260,129	263,731	276,551

Sensitivity: General

6.2. Operation expenditure

Operation expenditure covers expenses such as personnel, maintenance, electricity, service contracts etc. Any operating costs relating to the maintenance contracts, such as CityCare, will be recorded as operational costs.

Table 22 - Operating expenditure in the next 10 financial years for Water Services Business Unit.

Projected operation expenditure in water services ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Operating expenditure	39,220	46,120	48,214	50,221	51,109	52,615	54,225	55,431	56,637	57,825
Wastewater										
Operating expenditure	56,337	59,340	61,903	64,095	65,951	67,854	69,770	71,468	73,155	74,831
Stormwater										
Operating expenditure	25,991	25,450	26,565	27,730	28,768	29,806	30,857	31,634	32,414	33,190
Total projected investment in water services ($'000)	121,548	130,910	136,682	142,046	145,828	150,275	154,852	158,533	162,206	165,846

A full list of revenue and expenses are further listed in Part E Section 2.

7. Historical delivery against planned investment

To demonstrate delivery against planning investment, councils are requested to disclose historical actual investment spend on water services infrastructure against planned investment.

Councils are encouraged to confirm if:

- *The level of investment that was delivered against what was provided for in the relevant Long-Term Plan;*

Any constraints on delivery that impacted historical actual investment;

7.1. Historical Delivery & Constraints

Actual investment in water services has generally been strong, with past years closely matching planned levels. FY2024/2025 we saw a drop due to some of the constraints outlined below.

Table 23 - Historical delivery against planned investment

Delivery against planned investment ($'000)	Renewals investment for water services ($000)				Total investment in water services ($000)			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment (set in the relevant LTP)	140,357	337,592	212,691	690,641	208,955	517,461	381,088	1,107,505
Total actual investment	99,287	306,679	178,106	541,208	142,685	494,307	389,426	969,963
Delivery against planned investment (%)	**70%**	**91%**	**84%**	**78%**	**68%**	**96%**	**102%**	**88%**

Sensitivity: General

Over the recent years there has been a number of challenges, these are summarised as follows:

- Significant stormwater and flood protection works delayed with no consenting option (could not intercept groundwater without groundwater take)
- Delays with some complex projects
- Council procurement delays
- Delay in obtaining consents
- Delays in implementing MEICA projects

- *Any steps taken to improve future delivery against the Plan; and*
- *Peaks in future years and approach to accommodate and deliver on the planned investment.*

7.2. Future improvements

A list of tasks that Council expect to implement in the future to increase efficiency and improve delivery are outlined below. A big focus for Council is prioritising some of the backlog as outlined in Part B Section 3.12 and understanding future peaks to ensure they are managed correctly. By managing the budget and using both in-house and external resources, Council plan to deliver capital projects more efficiently, which will allow a focus back on delivering renewals. This does not involve requesting more budget allowance to complete the works, but bringing the budget already allocated forward so the delivery teams can proceed with completing the required renewals.

The following steps have been taken to improve delivery:

- ECAN have committed to a Plan change to resolve the groundwater issue.
- Experienced project managers engaged for complex projects and programmes.
- Programme manager and project team placed at the Christchurch Wastewater Treatment Plant.
- Increased project tracking.
- Provision of forward workplans provided to consultants and contractors monthly.

As part of the process to always improve, Council has multiple areas that the Water Services Business Unit have highlighted to improve the efficiency of its business to scale up to meet future peaks. This is not necessarily in the implementation plan as these are already planned to improve the delivery and meet delivery peaks in the future.

- Maintain and expand panels for consultants and contractors.
- Addition of a capital programme director.
- Emphasis on planning of capital programme delivery.
- Select appropriate method of delivery (Early Contractor Involvement, Design & Build etc).

8. Additional guidance for Statement of Regulatory Compliance

Regulatory compliance includes meeting drinking water standards, resource consents for water takes and discharges, wastewater discharge consents (land, air, odour amongst others), stormwater discharge consents and network consents (do not include land use consents or temporary structure consents).

Current or future regulatory requirements includes:

- *When a system is nearing non-compliance or experiences frequent non-compliance with conditions (for example, nearing level of service, capacity constraints) and consent unlikely to be renewed in current form without investment in water services assets, and systems.*
- *Existing consents may have been in place for many years, and it is expected when they are renewed that regulatory requirements are likely to be changed significantly to align with newer consent conditions.*
- *Existing consent conditions are unlikely to meet community or iwi expectations therefore will need to be amended to accommodate.*

Confirm if:

- *You are delaying wastewater consent replacements and waiting for new regulatory wastewater standards;*
- *There are any issues with water take/source consents or implementation of water safety plans and associated improvement works (for example, need new water source); and/or*
- *The investment plan includes fluoridation installation or associated upgrades, (under the Health Act 1956).*

Regulatory compliance includes meeting drinking water standards, resource consents for water takes and discharges, wastewater discharge consents (land, air, odour amongst others), stormwater discharge consents and network consents. For a full detail outline of regulatory compliance, refer to Part B Section 5.2.

Christchurch's water source comes from groundwater and is extracted from 126 wells located across 46 sites across the city. Protozoal compliance is obtained through demonstration of Class 1 water sources for all but two of these sites (where UV treatment will be used). Bacterial compliance at these sites is unable to be demonstrated because of the lack of treated water storage which is needed to be able to demonstrate that contact time requirements from the Drinking Water Quality Assurance Rules are met. Council is working closely with Water Services Authority/Taumata Arowai (including jointly contributing to research being undertaken by Environmental Science & Research into virus presence in groundwater as explained in Part B Section 5.2 above) and anticipated changes to Drinking Water Quality Assurance T3 rules may enable the demonstration of bacterial compliance. If the changes anticipated to Drinking Water Quality Assurance Rules are not made or do not reduce contact time requirements sufficiently then bacterial compliance at 42 treatment plants across Christchurch would need significant investment.

With regards to fluoridation, the investment plan does not include fluoridation installation but there is provision for 'limited' associated upgrades, although this is also not fully funded in the next 10 years.

Council are continuing the process to apply for new wastewater discharge consents whilst the industry awaits the new regulatory wastewater standards.

Sensitivity: General

Part C: Revenue and financing arrangements

i Revenue and charging arrangements

Revenue and charging arrangements

1. Charging and billing arrangements

It is expected that this section will describe how consumers will be charged for water services, including:

- *How water services are currently charged for each supply scheme/catchment;*
- *How water services are proposed to be charged for each supply scheme/catchment;*
- *Any changes between current and future charging mechanisms; and*

1.1. Water Services charges

Currently water services within Christchurch City Council are majority charged through council rates, with 90% of revenue charged to consumers through rates, with the remainder charged through development contributions or minor specific consumer pay fees.

Council has two different rate charges, general and targeted rates, which it passes onto the consumer. General rates are based on capital value of the property and is mostly used to manage Council debt repayments.

Targeted rates enhance the transparency of Councils spending and benefit those that have connections to water supply, wastewater and stormwater.

No changes are proposed to the Council's current charging schemes.

How the revenue from water services will be separated from the council's other functions and activities

- *How the revenue from water services will be separated from the council's other functions and activities.*

1.2. Ringfencing revenue

The revenues generated by the Water Services Business Unit services will be isolated and ringfenced from other Council revenues by using cost objects and hierarchies to ensure they are separately identifiable within the Council's cost and budget ledgers, which will be separate each of the water service activities. Flood protection will be delivered by the in-house Water Services Business Unit but will not be financially ringfenced. The implementation of this will occur in a staged approach, ensuring correct frameworks and financial systems are set up. This will ensure water services revenues are tracked and consolidated or separated as required for both, budget, forecast and renewals.

Christchurch City Council already separates water services through its activity statements, however moving forward, Council will ensure the separation is more easily accessible within Council's reporting to enable ease of governance and management review. This will ensure that revenues, costs, overheads and surplus's generated for/by water services are only applied to water services.

2. Water services revenue requirements and sources

It is expected that this section will summarise the:

- *Revenue requirements under the Plan;*

2.1. Revenue requirements

The revenue requirements for water services will remain largely unchanged from the current Council requirements to deliver water services. This involves ensuring the Funding Impact Statement is balanced and sufficient funding meets the required expenditure. There will be minor changes due to clarity being provided of the amount of the general rate that is applied to water services and improved accuracy of the costs allocated to water services incurring targeted rates.

- *Sources of revenue – household charges (rates and volumetric charges) and other revenue sources (including user charges/fees, Development Contributions, capital/operating subsidies and grants, and other income);*

2.2. Sources of revenue

Sources of revenue include household charges and other revenue sources such user charges/fees, Development Contributions, capital/operating subsidies.

General Rate

General rates are based on capital value, land value or annualised value. In addition, Council set a uniform annual general charge (UAGC) as a fixed amount per rating unit, or a fixed amount per separately used or inhabited part (SUIP) of a rating unit. The bulk of our general rates in proportion to each rating unit's capital value. Capital value represents the owner's full investment in the property and is therefore considered to provide a more equitable basis for the general rate than the land value or annual value alternatives.

To account for different sectors in the community and how they benefit differently from activities, Council have determined to apply differentials to the value-based general rate, based on the use to which the land is put and the benefit they receive from these activities. For example, business properties and vacant land properties in the central city tend to benefit relatively more whilst remote rural properties relatively less than the standard property.

Targeted Rate

Most of the water supply, wastewater & stormwater charges to consumers result from targeted rates. The Christchurch City Council uses targeted rates where it is considered desirable and practicable either to enhance the transparency of the spending (i.e. so that ratepayers can see how much they pay for a particular activity) or to ensure that the cost of a particular item is borne by the group(s) deemed to derive most benefit from it.

Water supply, wastewater and stormwater activities are considered to primarily benefit those properties which connect, or can connect, to the water supply network. Targeted rates therefore are used to fund the activity from those properties receiving or able to receive this benefit. These targeted rates will collect the cash operating cost of the water supply activity plus a significant contribution towards the expected long term average cost of related asset renewal and replacement (charged in lieu of depreciation).

For water supply, an additional excess water supply targeted rate is charged by assessing those residential or commercial properties placing an unusually high demand on the water supply network.

Liability for the Excess Water Supply Commercial Targeted Rate is calculated as a number of dollars per cubic metre of water consumed in excess of the water supply targeted rate allowance for that rating unit.

Development Contributions

Council also makes significant capital investment in infrastructure specifically to service growth development in the district (i.e. new subdivision and/or more intensive development of existing developed land). Council use development contributions to recover a fair and equitable portion of the cost of this investment from persons undertaking development.

Fees and Charges

Where an activity is perceived to provide benefit to identifiable individuals/groups or where an activity was driven by the actions of an individual/group, Council will typically collect fees and charges in respect to this. Consideration is given to whether each fee or charge is practical, economically viable, or may undermine an identified core community outcome. With regards to water services, only a small amount is collected through this means.

Sensitivity: General

Rate Penalties

In the occurrence of delayed rates payments and rate penalties, any penalty payments will be pro rata'd to represent the water service portion.

Charging and collection methodology – for residential and non-residential consumers

2.1. Collection methodology

Charging and collection methodology – for residential and non-residential consumers, will remain as per Council's quarterly rates billing cycle. Development contributions are invoiced through the consenting process.

Fees and charges invoices on a user pay basis, for both commercial and residential customers.

3. Consumer user charges

It is expected that this section will summarise the:

- *Current charging and collection methodology for water services – for residential and non-residential consumers; and*
- *Projected charges for residential households on average over the 10-year period.*

3.1. Residential and non-residential charging

Council understands that the benefits of activities can be distributed unevenly between different sectors of the community – in particular, business properties can tend to benefit relatively more and remote rural properties relatively less than other (standard) properties (including residential properties). Vacant land properties in the central city and some suburban commercial centres can also benefit relatively more than standard and business properties that have corresponding capital values.

We have therefore determined to apply differentials to the value-based general rate, based on the use to which the land is put and where the land is situated:

- All properties are charged at a standard rate, except those that meet the criteria for business, city vacant or remote rural set out in the Funding Impact Statement,
- Business properties are charged at a differential rate which is higher than the standard rate,
- "City vacant" properties (vacant land properties in the central city and some suburban commercial centres) are charged at a differential rate which is higher than the standard and business rates, and
- Remote rural properties are charged at a differential rate which is lower than the standard rate.

An outline of projected charges for residential household over the next 10-year period are listed in Part D Section 2.1 Table 25.

4. The affordability of projected water services charges for communities

In this section, it is expected that councils will comment on:

- *Affordability considerations and constraints, including the community's ability to pay projected water services charges; and*
- *Average water charges per connection as a percentage of median household income.*

Council, along with Councillors, understands the pressures put onto households with cost of living, interest rates, tail wind of Covid pandemic and general global uncertainty. Christchurch City Council work for the people of Christchurch & Banks Peninsula and these financial pressures are at the forefront of rate decisions. When reviewing and setting rates, Council consider the capital value of the property, the use to which the land is put to and the benefit the uses receive from these activities. Applying this in-depth thought process helps to account for the differential of people financial situations.

However, with rates expected to slowly rise in order to pay for 100% of all renewals through rates, Council are aware to stagger this gently so that the burden is spread out and not an immediate hit to the community.

Council did consider using more debt to fund work programmes to mitigate some of the rate increases, but this did not ensure a balanced budget is maintained as outlined further below in Section ii, Financial Strategy assumptions.

The average water charges per connection as a percentage of median household income are listed in Part D Section 2.2 in Table 29 & Graph 2.

ii Funding and financing arrangements

Funding and financing arrangements

1. Water services financing requirements and sources

It is expected that this section will describe:

- *Projected borrowing requirements over the 10-year period to deliver the level of investment required;*
- *Minimum cash and working capital requirements for the sustainable delivery of water services;*
- *Borrowing limits for water services and all council business;*
- *Whether projected borrowings are within borrowing limits;*

An explanation of how Council undertakes its financing to ensure it continues to deliver water services and the strategies regarding borrowing and debt are set out below.

1.1. Borrowing

The debt to revenue ratio is an indicator of debt affordability and prudence. Council maintains covenants with lenders which set limits on borrowing. Councils biggest source of debt funding is the Local Government Funding Agency (LGFA) which limits Councils total net debt to 285 per cent of total operating revenue in the 2024/25 year, before settling at a new long-term limit of 280 per cent from 2025/2026. These projected borrowings will be within borrowing limits as outlined in Part D, Section iv.

Council has an obligation to report against the financial prudence benchmarks set out in the *Local Government (Financial Reporting and Prudence) Regulations 2014*. Council applies five additional debt benchmarks as shown below, the first four of which are also used to satisfy financial covenants agreed with the Local Government Funding Agency (LGFA). These are set by the foundation policies in Schedule 1 of LGFA's Shareholders' Agreement. Tighter limits apply if our long-term credit rating falls below 'A'. Standard & Poor's review in December 2023 confirmed Council's credit rating as AA (Stable).

Table 24 – Debt limits

Measure	Limit
Net Debt/Total revenue	<290% (2024) <285% (2025) <280% (from 2026)
Net interest / Total revenue	<20%
Net interest / Annual rates income	<30%
Liquidity	>110%
Net Debt / Equity	<20%

A prudent debt strategy should restrict planned borrowing to materially less than the covenant limit, to provide budget flexibility (or debt headroom) in the event of unexpected adverse changes to our financial position or operating environment.

Sensitivity: General

The maximum debt to revenue ratio proposed over the 2024-34 period is 201.2 per cent in 2028/29, well under the 280 percent LGFA limit. At this peak we retain debt headroom of $1,128 million.

Financial Strategy assumptions

The Council's 2024 Financial Strategy assumptions were:

- Asset reinstatement value increased 32% from 2019 to 2022
- A 1 in 5,000 year disaster event now requires debt headroom of $600m
- A 1 in 10,000 year disaster event requires debt headroom of $650m

Based on the updated assumptions above, Council has set the following debt targets:

- Debt headroom will be at least $600 million
- The minimum debt headroom budgeted capacity in the LTP 2024-34 is $1079 million

  A reduction in budgeted debt headroom (by using more debt to fund Council's annual work programme) was considered as an alternative to the proposed rate increase but this impacted significantly on one of our key Financial Benchmarks; the need to maintain a balanced budget

- *Financial strategy for financing water services investment and operating expenditure;*

1.2. Financial strategy for water services

The costs to Council from the 2010/11 earthquakes and the Covid-19 pandemic demonstrated the need to be in a financial position to enable Council to appropriately respond to unexpected events. Council needs to continue to maintain the ability to borrow sufficient funds at short notice to soften the effect of a fiscal emergency and to deliver services without the need to immediately pass on the usually short term costs via rates.

To achieve long-term financial resilience the following prudent financial management measurers will be used:

Maintain a balanced budget

Outside of year three, Council proposes to maintain a balanced budget. This will ensure Council rate the current generation for sufficient funds to cover the wear and tear on existing assets (represented by depreciation), ensuring the growing liability to maintain these existing assets is not left to future generations. The goal of fully funding our renewals from rates is a key element in achieving a balanced budget.

Rating for renewals

Council has had a strategy to incrementally increase rating for asset renewals to 100% of long run average renewals by 2032. Since the earthquakes of 2010/11 Council has been borrowing to fund some of the cost of its annual asset renewal programme. However, since 2015 Council have been transitioning to fully fund renewals from rates by 2032. This helps ensure current ratepayers are not subsidised by future generations.

Borrowing

We borrow to fund spending where the benefit is perceived to endure for multiple years – for example, capital expenditure on improving assets, or growth prior to the collection of development contributions. Repayment of rate-funded debt is via the general rate over a period of thirty years.

Funding of Operating costs

Where an activity is funded using a number of funding sources, our practice is to meet our operating costs in the first instances from fees and charges and grants and subsidies (subject to the considerations outlined above). If the activity requires further operational funding, this remainder is funded through rates.

- *Expected tenor of new borrowings and how interest rate and refinance risk will be managed; and*

- *Debt repayment strategy.*

1.3. Debt and borrowing strategy

The expected tenor of new borrowings is thirty years, with repayment funded through the Councils general rate.

Council manages this debt on a net portfolio basis, and should the Council require individual borrowing deals, they will not be associated with particular projects or spending, unless the interest expense associated with borrowing can be claimed as a tax deduction, then in that instance, Council will specifically borrow for that particular project or spending.

Maturing debt

Debt will be repaid as it falls due in accordance with the applicable borrowing arrangement. Subject to the appropriate approval and debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Security

Under a Debenture Trust Deed, our borrowing, committed bank facilities and potential liabilities under International Swaps and Derivatives Association (ISDA) contracts are secured by a charge over all our rates levied under the *Local Government (Rating) Act 2002*. From time to time, and with Council approval, security may be offered by providing a charge over one or more of our assets such as our physical assets.

Interest rate risk

Interest rate risk is the risk that funding costs will materially exceed projections included in the Long Term Plan or Annual Plan. This can be caused from adverse movements in interest rates which can adversely impact revenue and expense projections, cost control and capital investment decisions/returns/feasibilities.

Certainty around interest costs can be achieved through the active management of underlying interest rate exposures and reducing the uncertainty relating to the impact of interest rate movement through fixing/hedging of interest rates. Council ensure that it doesn't take on too much interest rate risk and looks ahead when locking in interest rates so that the council doesn't pay more on interest than expected.

Liquidity risk/funding risk

Council plans carefully to make sure it always has enough money or borrowing options available to meet payments, and that it can refinance debt at good terms — even if unexpected events happen.

Management of cash flow deficits in various future periods as identified in long term financial forecasts is reliant on the maturity structure of cash, short-term financial investments, borrowings and committed loan facilities. Council utilises liquidity risk management which focuses on the ability to access committed funding at a future time to fund the gaps, and funding risk management which centres on the ability to re-finance or raise new debt at a future time at acceptable pricing (fees and borrowing margins) and maturity terms.

The management of these Councils risks is important as several risk factors can arise to cause an adverse movement in borrowing margins, term availability and general flexibility including:

- Local Government risk is priced to a higher fee and margin level;
- Our credit standing or financial strength as a borrower deteriorates due to financial, regulatory or other reasons;
- A large individual lender experiences its own financial/exposure difficulties resulting in Council not being able to manage our debt portfolio as optimally as desired;
- New Zealand investment community experiences a substantial over-supply of council investment assets;
- Financial market shocks from domestic or global events.

The management of our funding risk is important to mitigate any adverse movement in borrowing margins, term availability and general flexibility.

Sensitivity: General

To mitigate this, Council seeks a diversified pool of borrowings where possible and ensures that bank funding is only sought from approved strongly rated New Zealand registered banks. By spreading the maturity of existing borrowings over time, so that, in the event of any of the above events occurring, Councils overall borrowing cost and maturity is not significantly compromised.

Counterparty credit risk

Credit risk will be regularly reviewed by the Finance & Performance Committee. Credit limits are dependent on the counterparty's Standard & Poor's, (S&P) rating.

1.4. Minimum Cash and Working Capital Requirements

Minimum cash and working capital requirements are managed at an all of Council level, to ensure that cashflows are sufficient to ensure that both core Council activities and the water services activities can be carried out without interruption.

The Council uses its Liability Management & Investment Policy to set limits and rules on the management on liquidity, funding and associated risks to ensure it maintains sufficient working capital and enough cash to carry out the budgeted works programme.

The management of our funding risk is important to mitigate any adverse movement in borrowing margins, term availability and general flexibility.

Where possible, Council seeks a diversified pool of borrowing and ensures that bank funding is only sought from approved strongly rated New Zealand registered banks. Strongly credit rated banks have a short-term and long-term credit rating from Standard & Poor's (or equivalent) of at least A-1 and A respectively.

Funding risk is primarily controlled by spreading the maturity of existing borrowings over time, so that, in the event of any of the above events occurring, our overall borrowing cost and maturity is not significantly compromised.

To ensure sufficient borrowing is capacity is available, including in the event of an emergency, Christchurch City Council has a self-imposed debt headroom limit.

The debt headroom will be at least $600 million based on the following assumptions:

- Asset reinstatement values increased 32% from 2019 to 2022
- A 1 in 5,000-year disaster event now requires debt headroom of $600m
- A 1 in 10,000-year disaster event requires debt headroom of $650m

2. Determination of debt attributed to water services

It is expected that this section will describe:

- *How debt allocated to water services on 30 June 2024 was determined; and*
- *The total value of water services borrowings and the net debt to operating revenue calculation on 30 June 2024.*

Christchurch City Council had no borrowing or balance of borrowing for its core activities (including water services) as of the end financial year 2008, as per its audited annual report.

From 2009-2024, the new borrowing for water services has been extracted from the Funding Impact Statement in each financial year's annual report, for each water service.

A straight line 30-year debt repayment has been assumed for each years borrowing, reducing the balance of debt allocated to water services on the 30 June 2024.

Significant capital revenue, such as crown earthquakes recoveries, which reduced the amount of borrowing or assisted with debt repayment have been applied to the activities in which those funds were spent, including water services, reducing the amount of debt applied to water services on the 30 June 2024.

Sensitivity: General

Total council debt as of 30 June 2024 was $2,592.7 million.

The total debt related to water services as of 30 June 2024 is $899.7 million (35% of total council debt).

The Christchurch City Council's net debt to operating revenue as of 30 June 2024 was 145%.

3. Insurance arrangements

This section should:

- *Confirm that the asset owning organisation in the proposed service delivery arrangement will hold the necessary insurance policies;*
- *Describe whether annual insurance risk assessments are undertaken – and if not annually, when the last review of insurance cover was completed;*
- *Describe whether risk evaluation and assessment identifies probability of loss and cost under scenarios (distinguishing between above and below ground assets); and*
- *Describe the level of insurance cover for the network, including the basis for valuation of water assets and how insurance cover is calculated for insurable water services assets.*

3.1. Level of cover

Christchurch City Council holds the necessary insurance cover and policies on its assets. This insurance cover is reviewed annually for all assets as part of the renewal process. Risk assessment/modelling is carried out as per below:

- Risk evaluation and assessment seismic loss modelling is carried out every two years using the Verisk Touchstone model. This model is an external software that streamlines operations, manages complex risk and makes data-powered decisions with robust analytics.
- Last updated in early 2024 with the next update scheduled for early 2026
- Carried out for both above and below ground assets
- Loss scenarios range from 1/50 to 1/10000-year return periods and include perils of ground shaking, fire following earthquake, tsunami, seismically induced landslide and liquefaction.

The most recent valuation carried out in 2023 is the basis for how the level of insurance cover is justified. Assets are valued every three years by external valuers, with desktop updates using cost indices whilst taking into account new and disposed assets in the other years. Insurance cover listed below is based on capacity available in the market and the results of loss modelling.

- Above ground assets (pump stations, reservoirs, treatment plants) are covered against all perils for reinstatement value listed, up to a policy limit of $1.5 billion.
- Below ground assets (reticulation networks, land drainage etc) are covered against all perils for reinstatement value listed, up to the policy limit of $600 million.

Due to the size of Council's asset portfolio, council utilizes a variety of different insurance schemes to ensure the policy limit is necessary for the assets. Recent global natural catastrophic losses have and continue to erode insurance capital for exposed ricks, which in turn has reduced cover and increased costs. Council continues to go to the market to see what capacity is out there so they can get as much coverage as possible.

In addition, it is expected that this section will briefly summarise the insurance management policy for water services, including:

- *Insurance review policy and asset identification standards;*
- *Key insurable risks, a description of risk appetite/tolerance and identified mitigations;*
- *Any link with council's disaster policy response to mitigate insurance losses; and*
- *Delegations and reporting on insurance.*

Sensitivity: General

3.2. Insurance evaluations

Insurance is reviewed on an annual basis with asset schedules updated for additions and disposals based on Council's SAP Asset Management system.

Council currently insures for all risks including seismic, tsunami, flood, fire. With the use of the Verisk Touchstone model and leaning on the industry, council can utilise modelling to estimate losses that could be sustained by a portfolio of assets due to a catastrophic event.

An AIR Worldwide earthquake model for New Zealand provides an integrated view of potential loss following ground shaking, liquefaction, seismically induced landslides, tsunami and fire following an earthquake. Computer simulators are used to estimate the events intensity, magnitude and location whilst looking at the asset's vulnerability and subsequent loss due specific events. The outputs is an estimate of the damage expected and combines this with the underwriter's policy conditions to provide an insured loss calculation.

Once the insured value is finalised and policy limit is set, Council determine how much of assets are covered by the crown, what is covered by insurance and how much debt council can cover. Council assesses the level of insurance available annually and decides whether there is an acceptable level of risk remaining.

Insurance renewals are placed by staff under delegation from Council. The renewal strategy is reported to the Finance and Performance Committee ahead of the renewal process beginning, and the outcome of the process is reported once renewal is complete. A summary of claims is included in the quarterly finance report and reviewed by the Finance and Performance Committee. Any significant claims are managed by the Insurance Sub-committee of the Finance and Performance Committee in accordance with the terms of reference.

Part D: Financial sustainability assessment

i Confirmation of financially sustainable delivery of water services

Financially sustainable water services provision

1. Confirmation of financially sustainable delivery of water services by 30 June 2028

It is expected that this section will demonstrate that the Plan achieves financially sustainable delivery of water services by 30 June 2028, which can be met by confirmation of:

- *'Revenue sufficiency' - sufficient revenue to cover the costs (including servicing debt) of water services delivery;*
- *'Investment sufficiency' – projected investment is sufficient to meet levels of service, regulatory requirements and provide for growth; and*
- *'Financing sufficiency' - funding and financing arrangements are sufficient to meet investment requirements.*
- Christchurch City Council plans to achieve financial sustainability by 30 June 2028, based on the financial measure and planning included in the Water Services Delivery Plan.
- Christchurch City Council can afford day to day operations with projected water services revenues exceeding operating costs with a growing positive operating surplus ratio and positive operating cash ratio. This achievement in the operating surplus ratio is largely due to the Christchurch City Council's Long Term Strategy to increase to 100% rating renewals expenditure by 2032. The Water Services Business Unit operating cash ratio is sufficient to meet the Council's water services investment requirements and meet scheduled debt repayments.
- The proposed level of investment is fully funded by projected revenues and access to financing, to meet the levels of service expected, regulatory requirements and provide for growth. This ensures a resilient, efficient, and sustainable infrastructure system for the community. Water services asset investment ratio remains positive in all years of the Water Services Delivery Plan, demonstrating the capital investment each year in water services assets exceeds the incurred depreciation expense.
- Christchurch City Council's projected funding and financing is sufficient to meet the required investment needed. Projected borrowings are within the borrowing limits and maintain sufficient debt headroom to continue the ability to borrow in response to a disaster or unforeseen significant event for all years of the Water Services Delivery Plan. Along with rating for renewals, Council are in a strong position to finance its proposed capital and renewal works.

2. Actions required to achieve financially sustainable delivery of water services

The Plan must include an explanation of what the council proposes to do to ensure that the delivery of water services will be financially sustainable by 30 June 2028. This may include:

- *Projected price path/revenue requirements – and how this ensures that water revenues cover the costs of service (including assumptions for recovery of depreciation);*
- *The level of investment required over 10-years to meet levels of service, regulatory requirements and provide for growth; and*
- *How levels of borrowing will be managed within borrowing limits.*

Christchurch City Council has only minor actions to implement to ensure that the delivery of water services will be financial sustainability by 30 June 2028. Council currently met revenue and investment sufficiency, and this is not expected to change over the course of the Water Services Delivery Plan. However minor actions that underpin this plan include rating for renewals and ringfencing its revenues.

Council already separates its water services through its activity statements which allows Council to analysis the sustainability of its finances, however moving forward, Council will ensure the separation is more easily accessible within Council's reporting to enable ease of governance and management review.

Sensitivity: General

In addition, Christchurch City Council's Long Term Strategy to increase to 100% rating renewals expenditure by 2032 will be implemented to ensure Council continue to meet the levels of service expected, regulatory requirements and provide for growth. Projected borrowings are within the borrowing limits and maintain sufficient debt headroom to maintain the ability to borrow in response to a disaster or unforeseen significant event for all years of the Water Services Delivery Plan.

3. Risks and constraints to achieving financially sustainable delivery of water services

The purpose of this section is to summarise any issues, constraints and risks to delivery of financially sustainable water services..

- Programmes and projects are assumed to be delivered within budget and on time and to required quality specifications. If actual costs vary from estimates, due to higher input prices and/or delivery delays, then this could result in budget shortfalls. However, Council has tendered significant work and estimates are based on the best available information.
- Regulatory changes by external authorities which could result in funding for unexpected infrastructure to meet certain requirements and compliance. This includes meeting requirements in the LG (WS) Bill, requirements set by Water Services Authority/Taumata Arowai for water quality, adhering to environmental guidelines, and complying with economic regulations overseen by the Commerce Commission. Any decision to significantly alter the capital works programmes would be more likely to be addressed in a future Annual Plan or Long Term Plan.
- Useful life of assets is as recorded in asset management systems and plans or based upon professional advice (the Accounting Policies detail the useful lives by asset class). If the useful life of an asset/s is significantly shorter than expected, then the asset will need to be replaced sooner than planned and budgeted for.
- Carrying value of assets. The opening statement of financial position reflects correct asset values. The carrying value of assets are reviewed and updated on a regular basis. If inflation is materially higher or lower than anticipated, then the Council will have a revenue shortfall or surplus relative to its planned work programme. If inflation on costs is not offset by inflation on revenues, then the Council will have a revenue shortfall relative to affected planned work programmes.
- Inflation. The price level changes projected will occur. Council has considered both information provided by Business Economic Research Limited (BERL) to all local authorities and a weighted mix of its own cost inputs in determining appropriate inflators. It also receives external advice on forecast future salary movements. However, these risks are unlikely to eventuate to a significant degree within a single rating year. Any decision to significantly cut services or increase debt would be more likely to be addressed in a future Annual Plan or Long-Term Plan.
- That population and business growth will occur as forecast by the Council's growth modelling.
- The Council's current rating of AA is maintained. If the Council's credit rating with Standard and Poor's is downgraded, then the Council's cost of borrowing is likely to increase.
- Borrowing Costs. If interest rates increase to above the assumed level, then the Council's debt servicing costs will increase. Council manages its interest rate exposure in accordance with its Liability Management Policy, and in line with advice from an independent external advisor. Projected debt is mostly hedged to reduce exposure to market rate fluctuations, but a moderate amount of risk remains.
- Securing External Funding. The Council minimises its liquidity risk by maintaining a mix of current and non-current borrowings in accordance with its Liability Management Policy, plus some undrawn committed lending facilities from banks.
- Local Government Funding Agency Guarantee. The Council believes the risk of the guarantee being called on and any financial loss arising from the guarantee is remote. The likelihood of a local authority borrower defaulting is extremely low and LGFA has recovery mechanisms that would be applied prior to any call on the Guarantee.
- Contract Rates. Re-tendering of major contracts will not result in cost increases in excess of the rate of inflation.
- Insurance cover. The Council has adequate Material Damage cover for all above ground buildings which are undamaged and fire cover for significant unrepaired buildings. Risk of major loss through fire. The results of external and independent modelling suggests that Council's insurance cover is sufficient to meet two times the maximum loss. Any financial impact is not expected to be significant.

Sensitivity: General

- Natural disaster financial implications. It is assumed the Council's insurance along with central government assistance will cover the cost of repairs. If the Council's insurance cover and expected Government assistance isn't sufficient to cover the costs of repairing Council infrastructure following a natural disaster, then additional funding will need to be found. Council is maintaining significant debt headroom to be able to respond to such events.

For a list of further general assumptions and risks for the delivery of the Water Services Delivery plan, refer to Part F Section ii.

ii Financial sustainability assessment - revenue sufficiency

Assessment of revenue sufficiency

1. Projected water services revenues cover the projected costs of delivering water services

It is expected that this section will demonstrate that:

- *Projected revenues are sufficient to cover the costs (including servicing debt) of water services delivery;*
- *Projected revenues are sufficient to finance the required level of investment; and*
- *Whether projected revenues have been assessed as meeting the 'revenue sufficiency' test.*

The revenues collected for water services will be isolated from other Council revenues by recording all transactions relating to Water Services Business Unit in separate financial ledger account.

Operating revenue is used as a proxy by the Local Government Funding Agency's (LGFA) definition of revenue. LGFA defines revenue as "Cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets)".

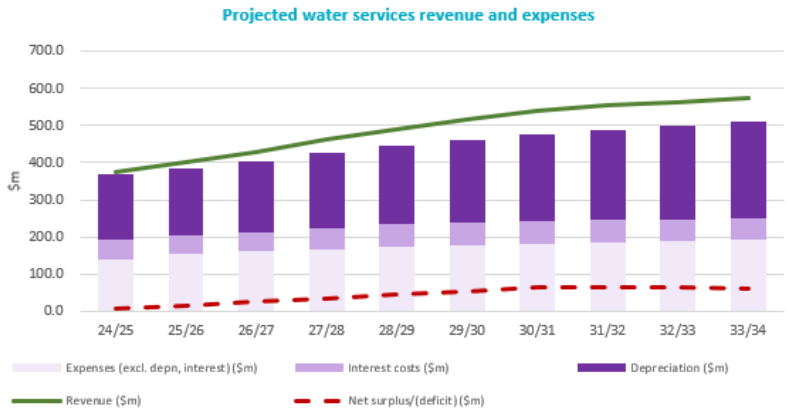
Christchurch City Council's projected water services revenues are sufficient to meet the water services revenue sufficiency requirement.

- In all years covered by the Water Service Delivery Plan, projected water services revenues exceed expenses including finance costs and depreciation, as shown in Graph 1 adjacent.
- The Water Services Business Unit maintains and grows a positive operating surplus ratio, from financial year 2027/28 (Table 30)
- The Water Services Business Unit maintains and grows a positive operating cash ratio for the full period of the Water Services Delivery Plan (Table 31).

The projected water services revenues applied to the delivery of those water services is sufficient to ensure the councils long term investment in delivering the capital and renewals programmes, along with meeting the expected growth, levels of service and regulatory requirements.

Include the following chart – "Projected water services revenue and expenses". This chart can be generated in the Financial Template.

Graph 1 – Projected water services revenue and expenses



Sensitivity: General

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

In this section, councils are requested to populate the financial table below. All projected charges should be inclusive of GST.

Councils should provide a brief description of assumptions used in calculating projected median household charges.

2.1. Water services charges

Charges per connection

Table 25 – Connection charges

Projected average charge per connection / rating unit (including GST) ($)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking water	680	730	788	865	917	964	1,010	1,038	1,053	1,065
Wastewater	1,094	1,111	1,168	1,264	1,331	1,382	1,404	1,395	1,380	1,366
Stormwater	433	455	495	548	593	636	683	717	742	770
Average charge per connection / rating unit	**2,206**	**2,296**	**2,451**	**2,677**	**2,842**	**2,982**	**3,097**	**3,149**	**3,175**	**3,201**
Increase in average charge	12.7%	4.0%	6.8%	9.3%	6.2%	4.9%	3.9%	1.7%	0.8%	0.8%
Water services charges as % of median household income	**1.9%**	**1.9%**	**2.0%**	**2.1%**	**2.2%**	**2.3%**	**2.3%**	**2.3%**	**2.3%**	**2.2%**

Note:
The average projected charge per connection has been calculated as follows:
(Total Water Services General Rates Revenue incl GST + Total Water Services Targeted Rates Revenue incl GST) / Projected Rateable Units with Water Services Connections)

Rating Revenue

Table 26 below outlines Christchurch City Councils projected increase in rates revenue for all of water services within the Water Services Business Unit and what portion of this increase is attributable to capital renewals expenditure.

Table 26 – Rating charges for whole of the Water Services Business Unit

All Water Services ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total Rates Revenue (excl. GST)	334,265	353,813	380,739	419,285	448,611	474,497	496,723	509,121	517,372	525,680
Projected Rates Increase	6.1%	5.8%	7.6%	10.1%	7.0%	5.8%	4.7%	2.5%	1.6%	1.6%
Total Rating for Capital Renewals (excl. GST)	118,316	126,845	143,253	164,308	180,289	196,425	212,879	222,707	228,718	234,210
Projected Rates Increase	12.9%	7.2%	12.9%	14.7%	9.7%	9.0%	8.4%	4.6%	2.7%	2.4%
Total Rates Revenue (Excluding Rating for Renewals)	215,949	226,968	237,486	254,977	268,322	278,072	283,844	286,414	288,654	291,470
Projected Rates Increase	2.7%	5.1%	4.6%	7.4%	5.2%	3.6%	2.1%	0.9%	0.8%	1.0%

The split between for water supply, wastewater and stormwater are listed in the tables Table 27 below.

Sensitivity: General

Table 27 – Rating charges for individual waters

Drinking Water / Water Supply ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total Rates Revenue (excl. GST)	103,818	113,854	123,928	137,168	146,547	155,249	163,947	169,770	173,732	177,009
Projected Rates Increase	-2.5%	9.7%	8.8%	10.7%	6.8%	5.9%	5.6%	3.6%	2.3%	1.9%
Total Rating for Capital Renewals (excl. GST)	47,080	50,474	57,003	65,381	71,740	78,161	84,708	88,619	91,011	93,196
Projected Rates Increase	9.0%	7.2%	12.9%	14.7%	9.7%	9.0%	8.4%	4.6%	2.7%	2.4%
Total Rates Revenue (Excluding Rating for Renewals) (excl. GST)	56,738	63,380	66,925	71,787	74,807	77,088	79,239	81,151	82,721	83,813
Projected Rates Increase	-10.3%	11.7%	5.6%	7.3%	4.2%	3.0%	2.8%	2.4%	1.9%	1.3%
Wastewater / Water Supply ($'000)	**FY2024/25**	**FY2025/26**	**FY2026/27**	**FY2027/28**	**FY2028/29**	**FY2029/30**	**FY2030/31**	**FY2031/32**	**FY2032/33**	**FY2033/34**
Total Rates Revenue (excl. GST)	165,435	170,715	180,877	197,400	209,544	219,280	224,599	224,856	224,238	223,752
Projected Rates Increase	9.1%	3.2%	6.0%	9.1%	6.2%	4.6%	2.4%	0.1%	-0.3%	-0.2%
Total Rating for Capital Renewals (excl. GST)	52,808	56,614	63,938	73,335	80,468	87,670	95,014	99,400	102,083	104,535
Projected Rates Increase	13.4%	7.2%	12.9%	14.7%	9.7%	9.0%	8.4%	4.6%	2.7%	2.4%
Total Rates Revenue (Excluding Rating for Renewals) (excl. GST)	112,627	114,101	116,939	124,065	129,076	131,610	129,585	125,456	122,155	119,217
Projected Rates Increase	7.2%	1.3%	2.5%	6.1%	4.0%	2.0%	-1.5%	-3.2%	-2.6%	-2.4%
Stormwater / Water Supply ($'000)	**FY2024/25**	**FY2025/26**	**FY2026/27**	**FY2027/28**	**FY2028/29**	**FY2029/30**	**FY2030/31**	**FY2031/32**	**FY2032/33**	**FY2033/34**
Total Rates Revenue	65,011	69,245	75,934	84,717	92,521	99,968	108,178	114,494	119,401	124,919
Projected Rates Increase	13.9%	6.5%	9.7%	11.6%	9.2%	8.0%	8.2%	5.8%	4.3%	4.6%
Total Rating for Capital Renewals	18,428	19,757	22,312	25,592	28,081	30,594	33,157	34,688	35,624	36,479
Projected Rates Increase	22.4%	7.2%	12.9%	14.7%	9.7%	8.9%	8.4%	4.6%	2.7%	2.4%
Total Rates Revenue (Excluding Rating for Renewals) (excl. GST)	46,583	49,488	53,622	59,125	64,440	69,374	75,021	79,806	83,777	88,440
Projected Rates Increase	10.9%	6.2%	8.4%	10.3%	9.0%	7.7%	8.1%	6.4%	5.0%	5.6%

2.1. Number of connections

As discussed further in Part B – Section i1, 5% growth in connections is expected over the next 10year period for Christchurch City Council. A list of population and projected connections are listed in Part B – Section i Table 3, Table 4,

Table 5 . A summary of these connections is listed below in Table 28.

Table 28 – Number of connections

Projected Number of Connections	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water	175,652	179,390	180,825	182,272	183,730	185,200	186,681	188,175	189,680	191,198
Wastewater	173,880	176,734	178,148	179,573	181,010	182,458	183,917	185,389	186,872	188,367
Stormwater	172,837	175,051	176,451	177,863	179,286	180,720	182,166	183,623	185,092	186,573

Sensitivity: General

For further discussion on growth areas within Christchurch City Council, please refer to Part B Section 2.3.

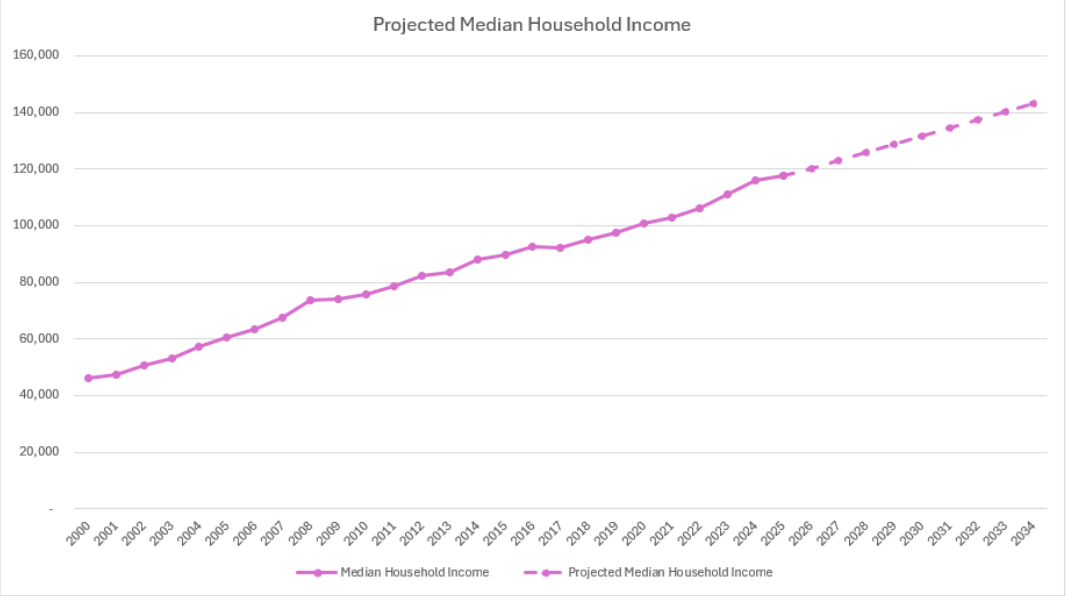
2.2. Household Income

The median household income, based on the Regional Economic Profile provided by Infometrics, increases annually by the average change in the median household income since 2000 ($2,853 per year). See below the historic and planned projection income in Graph 2 below.

Table 29 – Household income

	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projected Median Household Income	117,450	120,303	123,156	126,010	128,863	131,716	134,569	137,423	140,276	143,129

Graph 2 – Projected Median household income



Sensitivity: General

3. Projected operating surpluses/(deficits) for water services

In this section, councils are requested to populate the financial measure "Operating Surplus Ratio" [Operating surplus excluding capital revenues, divided by operating revenues].

This ratio is an indicator of whether operating revenue is sufficient to cover operating expenses. Where this ratio percentage is negative, this represents the percentage increase required for revenues to cover costs. Councils should specify the unit of measurement in the table (for example, $k or $m).

The operating surplus ratio reflects what percentage of the Council's water services revenues remain after paying for water services operating expenditure (including depreciation). A negative percentage means that the Council's water services operating expenditure exceeds its water services operating revenues. It is important to maintain a positive operating surplus ratio to ensure Council rate the current generation for sufficient funds to cover the wear and tear on existing assets (represented by depreciation), to ensure liability is not left to future generations, to maintain these existing assets.

Table 30 –Operating surplus ratio

Operating surplus ratio (whether revenues cover costs) ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating surplus/(deficit) excluding capital revenues – combined water services	(27,244)	(24,548)	(14,014)	1,260	11,204	20,963	29,662	30,238	27,926	25,327
Operating revenue – combined water services	341,615	361,273	388,429	427,215	456,763	482,860	505,296	517,891	526,335	534,830
Operating surplus ratio	**(8.0%)**	**(6.8%)**	**(3.6%)**	**0.3%**	**2.5%**	**4.3%**	**5.9%**	**5.8%**	**5.3%**	**4.7%**

Note: *Operating revenue in the Table above does not include Development costs hence why it differs slightly from Graph 1.*

Councils should comment on:

- *Whether projected operating revenues generate surpluses or deficits;*
- *The policy for recovering depreciation charges when setting revenues;*
- *What any surpluses generated will be applied to; and*
- *Where there is an operating deficit in any year, comment as to why this is appropriate.*

The goal of fully funding our renewals from rates is a key element in achieving a positive operating surplus ratio as Christchurch City Council does not rate for depreciation, rather it rates for renewals of capital expenditure. The current strategy as per the Council's 2024 Long Term Plan Financial Strategy is to incrementally increase rating for asset renewals to 100% of long run average renewals by 2032.

The Council deems it appropriate to have a negative operating surplus ratio from financial year 2024/25 to 2026/27, due to the need to balance the Council's financial prudence, flexibility and rates increases with the ability of rate payers to meet the increase. Increasing the rating for renewals, addresses the current negative operating surplus by putting more focus on renewals with an operating surplus ratio expecting to grow to 4.7% by FY2033/34.

Any water services surpluses generated will be applied to water services debt repayment and reducing the water services new borrowing required.

Sensitivity: General

4. Projected operating cash surpluses for water services

In this section, councils are requested to populate the financial measure "Operating Cash Ratio" [Operating surplus plus depreciation plus interest costs minus capital revenues, divided by operating revenue]. This ratio is an indicator of whether cash surpluses are generated from operations to pay interest, fund investment and repay debt. Councils should specify the unit of measurement in the table (for example, $k or $m).

The operating cash rate is an indicator of whether the Water Services Business Unit cash surpluses generated from operations are sufficient to pay for interest expenses, capital investment and debt repayment (cost of finance). A positive operating cash ratio shows the percentage of operating revenue that remains available to cover the cost of finance. The operating cash ratio differs from the operating surplus ratio, as it removes the impact of depreciation (not a cash expense), and interest costs.

Table 31 –Operating cash ratio

Operating cash ratio (whether revenues cover costs) ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating surplus/(deficit) + depreciation + interest costs - capital revenues	200,630	205,269	226,957	259,635	284,407	306,295	323,774	331,420	336,534	340,953
Operating revenue – combined water services	341,615	361,273	388,429	427,215	456,763	482,860	505,296	517,891	526,335	534,830
Operating cash ratio	**58.7%**	**56.8%**	**58.4%**	**60.8%**	**62.3%**	**63.4%**	**64.1%**	**64.0%**	**63.9%**	**63.7%**

Councils should comment on:

- *Whether projected operating cashflows are generated;*
- *What cash surpluses generated will be applied to; and*
- *Whether projected operating cashflows are sufficient to meet renewals investment requirements and to meet scheduled debt repayments.*

The Water Services Business Unit are projecting to maintain a positive operating cash ratio, growing from 58.7% to 63.7%. The positive ratio is a result of the Council's policy to rate for interest expense, debt repayment and the increasing rating for renewals. The Water Services Business Unit operating cash ratio is sufficient to meet the investment requirements and meet scheduled debt repayments.

Any cash surplus' generated for water services will be applied to water services related expenditure, either being allocated to the repayment of water services related debt or specific projects / operating costs as approved by the governance structure.

Sensitivity: General

iii Financial sustainability assessment - investment sufficiency

Assessment of investment sufficiency

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

It is expected that this section will demonstrate that:

- *Proposed level of investment is sufficient to meet levels of service, regulatory requirements and provide for growth;*
- *Proposed level of investment is fully funded by projected revenues and access to financing; and*
- *Projected levels of investment have been assessed as meeting the 'investment sufficiency' test.*

Christchurch City Council's projected water services capital investment is appropriate to meet the water services 'investment sufficiency' test.

- The proposed level of investment is sufficient to meet levels of service, regulatory requirements and provide for growth.
- The proposed level of investment is fully funded by projected revenues and access to financing.

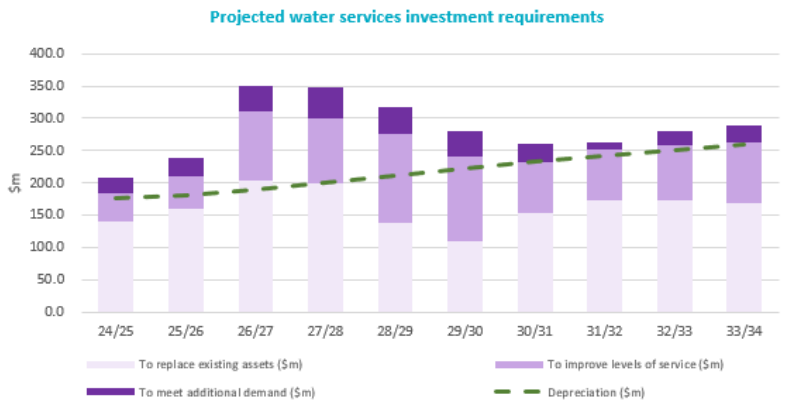
As indicated in Graph 3 adjacent, and further outlined in sections below:

- The Water Services Business Unit asset investment ratio remains positive in all years of the Water Services Delivery Plan, demonstrating the capital investment in water services assets each year exceeds the incurred depreciation expense.

The Water Services Business Unit asset consumption ratio improves over the Water Services Delivery Plan period, indicating that the burden on future consumers to replace network assets is decreasing (Table 34).

Include the following chart – "Projected water services investment requirements". This chart can be generated in the Financial Template.

Graph 3 –Projected water services revenue and expenses



Sensitivity: General

2. Renewals requirements for water services

To demonstrate asset sustainability, councils are requested to populate the below financial measure "Asset Sustainability Ratio" [Capital expenditure on renewals divided by depreciation, minus 1]. This ratio assesses whether projected renewals investment is more or less than projected depreciation and is an indicator as to whether the renewals programme is replacing network assets in line with the rate of asset deterioration.

Where the ratio is positive, this means that there is more projected renewals investment than projected depreciation. Where this ratio is negative, this means that projected renewals investment is less than projected depreciation.

Councils should specify the unit of measurement in the table (for example, $k or $m).

The asset sustainability ratio assesses whether projected renewals investment is more or less than projected depreciation and is an indicator as to whether the renewals programme is replacing network assets in line with the rate of asset deterioration. Where the ratio is positive, this means that there is more projected renewals investment than projected depreciation. Where this ratio is negative, this means that projected renewals investment is less than projected depreciation.

Table 32 – Asset sustainability ratio

Asset sustainability ratio ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Capital expenditure on renewals – all water services assets	140,357	160,578	203,144	199,652	138,323	108,980	153,752	172,573	172,269	168,521
Depreciation – all water services assets	177,080	180,348	189,657	201,121	211,887	222,698	232,549	241,844	251,504	260,457
Asset sustainability ratio	**(20.7%)**	**(11.0%)**	**7.1%**	**(0.7%)**	**(34.7%)**	**(51.1%)**	**(33.9%)**	**(28.6%)**	**(31.5%)**	**(35.3%)**

Councils should comment on:

- *How the proposed renewals investment has been determined and how this is consistent with the long-term infrastructure strategy, asset management plan and/or other strategic documents relating to water services asset management; and*
- *Where the projected levels of renewals investment is lower than projected depreciation, why this is appropriate.*

The Christchurch City Council's capital expenditure on renewals is lower than depreciation largely as a result of the 2010 & 2011 earthquakes, which resulted in the Council's horizontal infrastructure (including water supply, wastewater and stormwater assets) undergoing significant repairs or replacement. Post earthquake, expenditure over this period on wastewater was at a far higher rate than normal (a total of 162% of depreciation) while stormwater had also been at double the normal rate over those years (203%). As of recent, renewals expenditure has been reduced to direct funds to other priority assets, however a large set of renewal works in FY2026/27 & FY2027/28 is planned to re-initiate the renewal programme.

It is critical that planning is in place to renew water services assets at the right time in their lifespan before they fail or are no longer fit-for-purpose. The renewal of capital assets for water supply, wastewater and stormwater is informed by assessing asset conditions and employing predictive models, which are provided by the Asset Assessment Intervention Framework (AAIF). This ensures that risk is managed through a prioritisation process, rather than simply renewing assets that are still fit for purpose, or less critical to the city than others.

The AAIF tool as discussed in detail in Part B Section 3.1, ensures renewals are both achievable and financially sustainable. However, it's important to note that the funding allocated in the Long-term Plan does not aim to renew all assets before they fail. Such a comprehensive approach would be neither economically feasible nor practical. Instead, renewals are prioritised based on a combination of condition, RMO, deterioration and consequence of failure.

The proposed levels of investment have been determined by the Council's assets planners, based on the levels of service and targets/priorities set by Christchurch City Council as outlined in Part B Table 10.

The Water Services Business Unit is well-positioned to manage any issues arising from the gap between planned expenditure and depreciation by using two different approaches. The AAIF tool will ensure that priority renewals occur along with Council's strong balance sheet means that any renewals that may arise in the gap between expenditure and renewal can be funded through debt.

3. Total water services investment required over 10 years

To demonstrate asset improvement, councils are requested to populate the below financial measure "Asset Investment Ratio" [Total capital expenditure divided by depreciation, minus 1].

This ratio compares total investment to projected depreciation. Where the ratio is positive, this means that there is more projected investment than projected depreciation. Where this ratio is negative, this means that projected investment is less than projected depreciation.

Councils should specify the unit of measurement in the table (for example, $k or $m).

The asset investment ratio compares total investment to projected depreciation. Where the ratio is positive, this means that there is more projected investment than projected depreciation. Where this ratio is negative, this means that projected investment is less than projected depreciation.

Table 33 – Asset Investment ratio

Asset investment ratio ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total capital expenditure – all water services assets	208,955	238,412	351,047	349,065	317,339	279,441	261,407	263,490	279,284	289,446
Depreciation – all water services assets	177,080	180,348	189,657	201,121	211,887	222,698	232,549	241,844	251,504	260,457
Asset investment ratio	**18.0%**	**32.2%**	**85.1%**	**73.6%**	**49.8%**	**25.5%**	**12.4%**	**9.0%**	**11.0%**	**11.1%**

Councils should comment on:

- *How the proposed levels of investment have been determined; and*
- *How this is consistent with the long-term infrastructure strategy, asset management plan and/or other strategic documents relating to water services asset management.*

As part of the Long Term Strategy for water supply and wastewater services, Council aims to protect the community from water-borne diseases and ensure water supplies meet the rigorous safety and health risk standards. Council's goals extend to contributing to safe and healthy communities, providing top-quality drinking water whilst maintaining its robust infrastructure and facilities for its reticulation networks, pump stations and treatment plants.

A large portion of the funding is renewals of water supply and wastewater network during FY2026/27 & FY2027/28 as outlined in Part B Section 6.1, which plans to re-initiate much of the renewals that are required, ensuring Council continue to meet the increase regulatory requirements.

For stormwater services council's investment prioritises and the ability to meet established service levels by maintaining and renewing our assets, investing capital to cater to growth demands and improving stormwater discharge quality.

This ensures a resilient, efficient, and sustainable infrastructure system for Christchurch.

For a full list of significant capital projects, refer to Table 56,Table 57,Table 58 with a full description in Part B Section 6.1

4. Average remaining useful life of network assets

To demonstrate asset consumption, councils are requested to populate the below financial measure "Asset Consumption Ratio" [Book value of infrastructure assets divided by replacement value of infrastructure assets].

This ratio compares the book value of water infrastructure assets to total replacement value of water infrastructure assets. The ratio percentage represents the average remaining useful life of network assets. If this ratio materially reduces over time, then this means that the burden on future consumers to replace network assets is increasing.

Councils should specify the unit of measurement in the table (for example, $k or $m).

The asset consumption ratio compares the book value of water infrastructure assets to total replacement value of water infrastructure assets. The ratio percentage represents the average remaining useful life of network assets. If this ratio materially reduces over time, then this means that the burden on future consumers to replace network assets is increasing.

Table 34 –Asset consumption ratio

Asset consumption ratio ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Book value of water infrastructure assets	7,889,528	8,411,355	9,056,044	9,711,934	10,348,274	10,936,329	11,512,545	12,072,588	12,649,636	13,222,235
Replacement value of water infrastructure assets	13,362,964	13,908,501	14,543,201	15,216,170	15,897,320	16,560,597	17,148,510	17,719,586	18,287,310	18,865,418
Asset consumption ratio	**59.0%**	**60.5%**	**62.3%**	**63.8%**	**65.1%**	**66.0%**	**67.1%**	**68.1%**	**69.2%**	**70.1%**

Councils should comment on:

- *The impact that the proposed level of investment has on the average remaining useful life of network assets over the 10-year period; and*
- *Where there is a material decrease in the asset consumption ratio over time, how investment beyond FY2033/34 will ensure that asset replacement requirements are delivered.*

The Water Services Business Unit asset consumption ratio improves over the period of the Water Services Delivery Plan, indicating that the current capital expenditure into water services assets is improving the alignment of the utilisation and burden of who pays to replace/renew the network of assets. This reflects the capital programme planned in the years of the Water Services Delivery Plan to improve the water services infrastructure.

Sensitivity: General

iv Financial sustainability assessment - financing sufficiency

Assessment of financing sufficiency

1. Confirmation that sufficient funding and financing can be secured to deliver water services

It is expected that this section will confirm:

- *Whether projected total council borrowings are within council borrowing limits;*
- *Whether projected water services borrowings are within the council-determined limit for water services borrowing;*
- *The required levels of borrowings can be sourced; and*
- *The Plan meets the 'financing sufficiency' test.*

Christchurch City Council's projected water services funding and financing can be secured and is sufficient to meet the water services 'financing sufficiency' test.

- The Christchurch City Council projected borrowings are within the whole of Council's borrowing limits and maintain sufficient debt headroom to maintain the ability to borrow in response to a disaster or unforeseen significant event for all years of the Water Services Delivery Plan.
- The Christchurch City Council's projected water services borrowings are within the council-determined limit for all years of the Water Services Delivery Plan.
- The Christchurch City Council's projected level of borrowing at the Water Services Business Unit and at Council level can be sourced within existing financing arrangements.
- The net debt to operating revenue ratio for water services is a Council-determined limit of 300% in all years of the Water Services Delivery Plan which differs from the pre-determined limit of 280% of all Council services.

2. Projected council borrowings against borrowing limits

Include the following chart – "Projected council net debt to operating revenue". This chart can be generated in the Financial Template.

If councils have produced a joint Plan, each council is required to produce a projected council net debt to operating revenue graph. Advice should be sought from the Department as to whether water services revenues and debt should be included, which will be dependent on the proposed service delivery model.

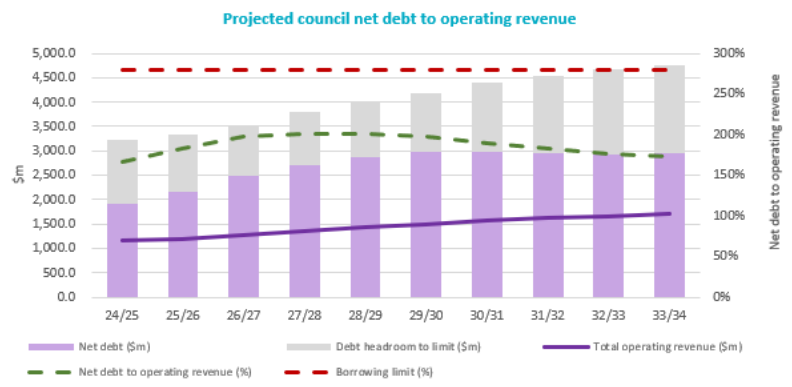
3. Projected water services borrowings against borrowing limits

Include the following chart – "Projected water services net debt to operating revenue". This chart can be generated in the Financial Template.

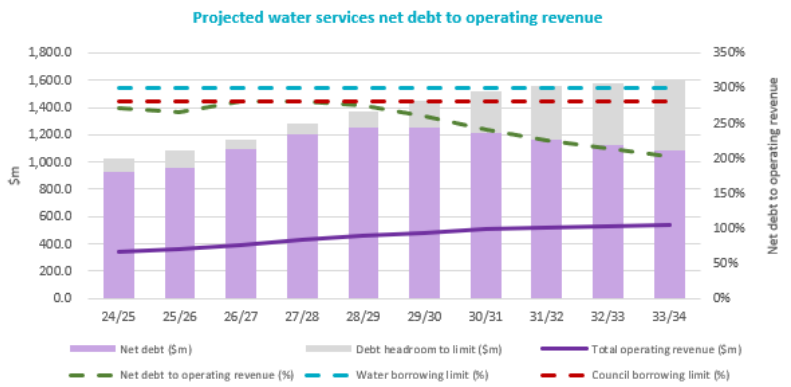
It is recommended that an appropriate borrowing limit is set for water services that reflects the levels of investment proposed, whilst ensuring that council stays within its borrowing covenants.

Sensitivity: General

Graph 4 –Projected council net debt to operating revenue



Graph 5 –Projected water services net debt to operating revenue



4. Projected borrowings for water services

In this section, councils are requested to populate the below financial measure "Net Debt to Operating Revenue" [gross borrowings minus cash and equivalents, divided by operating revenue].

Operating revenue is used as a proxy for the Local Government Funding Agency's (LGFA) definition of revenue, for simplicity. LGFA defines revenue for this purpose as "Cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets)".

This ratio compares projected borrowings (minus cash and cash equivalents) to projected operating revenues. Councils should specify the unit of measurement in the table (for example, $k or $m).

The net debt to operating revenue ratio compares projected borrowings to projected operating revenues. Operating revenue is used as a proxy for the Local Government Funding Agency's (LGFA) definition of revenue, for simplicity. LGFA defines revenue for this purpose as "Cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets)".

The debt to revenue ratio is an indicator of debt affordability and prudence. The Council maintains covenants with lenders which set limits on borrowing. The Council's biggest source of debt funding is the Local Government Funding Agency (LGFA) which limits Council's total net debt to 285 per cent of total operating revenue in FY2024/25 year, before settling at a new long-term limit of 280 per cent from FY2025/26.

A prudent debt strategy should restrict planned borrowing to materially less than the covenant limit, to provide budget flexibility (or headroom) in the event of unexpected adverse changes to our financial position or operating environment.

Sensitivity: General

Table 35 – Water Services net debt to operating revenue

Water Services Net debt to operating revenue ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Net debt attributed to water services (gross debt less cash)	923,535	960,986	1,091,606	1,198,532	1,254,096	1,251,225	1,211,294	1,162,251	1,121,907	1,084,863
Operating revenue – combined water services	341,615	361,273	388,429	427,215	456,763	482,860	505,296	517,891	526,335	534,830
Water Services Net debt to operating revenue %	**270%**	**266%**	**281%**	**281%**	**275%**	**259%**	**240%**	**224%**	**213%**	**203%**

Table 36 – Council net debt to operating revenue

Council Net debt to operating revenue ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Council Net debt (gross debt less cash)	1,917,717	2,172,355	2,490,107	2,713,252	2,881,540	2,968,096	2,973,518	2,964,397	2,932,243	2,938,525
Council Operating revenue	1,155,310	1,187,137	1,259,541	1,352,221	1,432,065	1,498,208	1,567,602	1,623,671	1,665,603	1,697,021
Council Net debt to operating revenue %	**166%**	**183%**	**198%**	**201%**	**201%**	**198%**	**190%**	**183%**	**176%**	**173%**

Councils should comment on:

- *The profile of borrowings required and how this relates to the timing of investment requirements; and*
- *Whether the projected net debt to operating revenue calculation is within the council-determined limit for water services.*

The Christchurch City Council projected position remains comfortably within its net debt to operating revenue limit for all years, enabling the Council to seek financing to meet its investment requirements.

The Water Services Business Unit net debt to operating revenue is 281% at its highest level in FY2026/27 and FY2027/28 due to the increase of renewal programmes and capital projects as discussed in Part B Section 6.1. However, this net debt to operating revenue drops to 203% by FY2033/34, due to the Council's strategy to increase rating for renewals, which both increases the Water Services Business Unit revenue and in turn limits the need for new borrowing for water services. The two years of net debt to operating revenue greater than 280% are not of concern, as Council can leverage its overall net debt to enable this borrowing carry out the projected water services capital programme.

The water services net debt to operating revenue ratio remains within the council-determined limit for water services of 300% in all years of the Water Services Delivery Plan.

5. Borrowing headroom/(shortfall) for water services

In this section, councils are requested to populate the below financial measure "Borrowing Headroom/(Shortfall)" [Maximum allowable net debt at borrowing limit (operating revenue multiplied by 'net debt to operating revenue limit for water services') minus projected net debt attributed to water services].

This measure determines whether projected borrowings are within borrowing limits, as well as the ability to borrow for unforeseen events. A positive number equates to the additional amount of borrowings that could be taken on without exceeding borrowing limits. A negative number means borrowings exceed the borrowing limit.

It is recommended that all water services delivery arrangements have a specified borrowing limit for water services – whether delivered in-house or through the establishment of a water services organisation.

Councils should specify the unit of measurement in the table (for example, $k or $m).

Sensitivity: General

The borrowing headroom/(shortfall) against the limit set determines whether projected borrowings are within borrowing limits, as well as the ability to borrow for unforeseen events. A positive number equates to the additional amount of borrowings that could be taken on without exceeding borrowing limits. A negative number means borrowings exceed the borrowing limit.

Table 37 – Water Services net debt headroom

Borrowing headroom/(shortfall) against limit ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating revenue	341,615	361,273	388,429	427,215	456,763	482,860	505,296	517,891	526,335	534,830
Debt to revenue limit for water services (%)	300%	300%	300%	300%	300%	300%	300%	300%	300%	300%
Maximum allowable net debt at borrowing limit	**1,024,844**	**1,083,820**	**1,165,287**	**1,281,644**	**1,370,290**	**1,448,579**	**1,515,888**	**1,553,673**	**1,579,006**	**1,604,491**
Projected net debt attributed to water services	923,535	960,986	1,091,606	1,198,532	1,254,096	1,251,225	1,211,294	1,162,251	1,121,907	1,084,863
Borrowing headroom/(shortfall) against limit	**101,309**	**122,834**	**73,681**	**83,112**	**116,194**	**197,355**	**304,594**	**391,422**	**457,098**	**519,628**

Table 38 – Councils net debt headroom

Borrowing headroom/(shortfall) against limit ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Council Operating revenue	1,155,310	1,187,137	1,259,541	1,352,221	1,432,065	1,498,208	1,567,602	1,623,671	1,665,603	1,697,021
Council Debt to revenue limit (%)	280%	280%	280%	280%	280%	280%	280%	280%	280%	280%
Council Maximum allowable net debt at borrowing limit	**3,234,868**	**3,323,984**	**3,526,715**	**3,786,219**	**4,009,782**	**4,194,982**	**4,389,286**	**4,546,279**	**4,663,688**	**4,751,659**
Council Projected net debt	1,917,717	2,172,355	2,490,107	2,713,252	2,881,540	2,968,096	2,973,518	2,964,397	2,932,243	2,938,525
Council Borrowing headroom/(shortfall) against limit	**1,317,151**	**1,151,628**	**1,036,608**	**1,072,967**	**1,128,242**	**1,226,886**	**1,415,767**	**1,581,882**	**1,731,445**	**1,813,134**

Councils should comment on:

- *The debt limit specified by council for water services on a net debt to operating revenue basis;*
- *The amount of projected borrowing headroom; and*
- *If, in any year, the ratio shows a borrowing shortfall against limit, how this shortfall will be backed by other council revenues, and how this will be rectified through appropriate revenue setting for water services delivery.*

In the 2024 Long Term Plan Financial Strategy the Christchurch City Council determined that it needed to maintain a minimum debt head room of $600 million to respond to a disaster event on the following basis:

- Asset reinstatement values increased 32% from 2019 to 2022.
- A 1 in 5,000-year disaster event now requires debt headroom of $600m.
- A 1 in 10,000-year disaster event requires debt headroom of $650m.

To manage an unexpected event at that scale, currently the lowest level of borrowing headroom over the Water Services Delivery Plan for all Council is $1.04 billion in FY2026/27, before increasing to $1.81 billion in FY2033/34.

Sensitivity: General

For the Water Services Business Unit, a borrowing headroom over the period of the Water Services Delivery Plan slightly drops in FY2026/27 & FY2027/28 before gradually increasing to $519.6 million by FY2033/34, which is driven by the Council's strategy to increase rating for renewals. This will increase the operating revenue whilst lowering the amount of borrowing required for water services capital expenditure.

6. Free funds from operations

In this section, councils are requested to populate the below financial measure "Free Funds from Operations". [Free funds from operations for water services (operating revenue minus operating expenses plus depreciation and other non-cash expenses, less interest revenue), divided by net debt (gross borrowings minus cash and equivalents)].

This ratio measures the percentage of debt balance that is generated in free cash flow each year and is key leverage indicator for financiers. Councils should specify the unit of measurement in the table (for example, $k or $m).

The free funds from operation to net debt ratio measures the percentage of debt balance that is generated in free cash flow each year and is key leverage indicator for financiers.

Table 39 – Household income

Free funds from operations ($'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projected net debt attributed to water services	923,535	960,986	1,091,606	1,198,532	1,254,096	1,251,225	1,211,294	1,162,251	1,121,907	1,084,863
Projected free funds from operations – water services	533,394	566,747	601,215	652,048	690,436	722,058	748,381	763,701	773,240	783,876
Free funds from operations to net debt ratio	**57.8%**	**59.0%**	**55.1%**	**54.4%**	**55.1%**	**57.7%**	**61.8%**	**65.7%**	**68.9%**	**72.3%**

Councils should comment on the level of projected leverage for water services under the free funds from operations calculations and how this is consistent with the financial strategy for water services delivery.

The Water Services Business Unit free funds from operations to net debt ratio improves from 57.8% in FY2024/25 to 72.3% by FY2033/34, primarily as a result of the strategy increasing rating for capital renewals, which increases the Council's water services funds from operations, while limiting the increase in net debt.

Sensitivity: General

Part E: Projected financial statements for water services

Projected financial statements – for water services within the Water Services business unit

1. Projected funding impact statement

Complete the following funding impact statement table for each of drinking water, wastewater, stormwater, and combined water services. Add or delete rows as appropriate

Table 40 – Funding impact statement (combined Water Services Business Unit)

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding ($'000)										
General rates	61,766	55,586	56,020	60,588	64,862	67,493	66,877	64,096	63,352	61,977
Targeted rates	272,499	298,227	324,719	358,697	383,749	407,004	429,846	445,025	454,020	463,703
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	305	252	261	269	277	284	291	298	305	310
Fees and charges	7,046	7,142	7,364	7,592	7,805	8,008	8,208	8,397	8,581	8,761
Total sources of operating funding	**341,615**	**361,208**	**388,363**	**427,146**	**456,693**	**482,788**	**505,222**	**517,815**	**526,258**	**534,752**
Applications of operating funding ($'000)										
Payments to staff and suppliers	110,696	113,091	119,566	124,600	127,810	132,887	137,572	140,480	144,949	148,608
Finance costs	50,794	49,469	51,315	57,253	61,316	62,633	61,563	59,339	57,104	55,169
Internal charges and overheads applied	19,437	25,095	24,789	25,534	26,529	26,289	26,670	27,937	27,595	28,030
Other operating funding applications	17	2,146	2,147	2,225	2,187	2,187	2,188	2,188	2,189	2,189
Total applications of operating funding	**180,944**	**189,801**	**197,817**	**209,613**	**217,841**	**223,997**	**227,992**	**229,944**	**231,836**	**233,997**
Surplus/(deficit) of operating funding ($'000)	**160,671**	**171,407**	**190,546**	**217,534**	**238,851**	**258,791**	**277,230**	**287,871**	**294,422**	**300,755**
Source of capital funding ($'000)										
Subsidies and grants for capital expenditure	4,157	8,575	8,250	2,306	0	0	0	0	0	0
Development and financial contributions	19,065	19,713	20,324	20,954	21,541	22,101	22,653	23,174	23,684	24,181
Increase/(decrease) in debt	23,837	37,451	130,620	106,926	55,564	(2,871)	(39,931)	(49,043)	(40,343)	(37,044)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	1,225	1,266	1,306	1,346	1,383	1,420	1,455	1,488	1,521	1,554
Total sources of capital funding	**48,284**	**67,005**	**160,500**	**131,531**	**78,488**	**20,650**	**(15,823)**	**(24,381)**	**(15,138)**	**(11,309)**
Applications of capital funding ($'000)										
Capital expenditure - to meet additional demand	25,407	28,884	39,426	49,487	41,020	38,296	29,240	11,685	21,927	25,803
Capital expenditure - to improve levels of services	43,191	48,950	108,476	99,927	137,996	132,165	78,416	79,232	85,088	95,122
Capital expenditure - to replace existing assets	140,357	160,578	203,144	199,652	138,323	108,980	153,752	172,573	172,269	168,521
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**208,955**	**238,412**	**351,047**	**349,065**	**317,339**	**279,441**	**261,407**	**263,490**	**279,284**	**289,446**
Surplus/(deficit) of capital funding ($'000)	**(160,671)**	**(171,407)**	**(190,547)**	**(217,534)**	**(238,852)**	**(258,792)**	**(277,230)**	**(287,871)**	**(294,422)**	**(300,755)**
Funding balance ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Sensitivity: General

Table 41 –Funding impact statement (Water supply)

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding ($'000)										
General rates	1,850	603	672	1,183	1,684	1,514	1,247	1,128	1,417	949
Targeted rates	101,968	113,251	123,256	135,985	144,863	153,735	162,700	168,642	172,315	176,060
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	0	24	25	26	27	28	28	29	30	30
Fees and charges	319	7	7	8	8	8	8	8	9	9
Total sources of operating funding	**104,138**	**113,885**	**123,960**	**137,201**	**146,582**	**155,285**	**163,983**	**169,807**	**173,771**	**177,048**
Applications of operating funding ($'000)										
Payments to staff and suppliers	35,511	39,462	41,774	43,640	44,397	46,109	47,744	48,692	50,143	51,340
Finance costs	7,348	7,329	8,025	9,424	10,217	10,322	10,351	10,389	10,227	9,735
Internal charges and overheads applied	9,204	9,261	9,208	9,542	9,921	9,910	10,139	10,665	10,657	10,888
Other operating funding applications	17	1,614	1,614	1,674	1,645	1,645	1,646	1,646	1,647	1,647
Total applications of operating funding	**52,080**	**57,666**	**60,622**	**64,279**	**66,180**	**67,986**	**69,881**	**71,392**	**72,674**	**73,610**
Surplus/(deficit) of operating funding ($'000)	**52,058**	**56,219**	**63,338**	**72,922**	**80,402**	**87,299**	**94,102**	**98,415**	**101,097**	**103,438**
Source of capital funding ($'000)										
Subsidies and grants for capital expenditure	1,007	325	0	0	0	0	0	0	0	0
Development and financial contributions	2,716	2,808	2,895	2,985	3,068	3,148	3,227	3,301	3,374	3,444
Increase/(decrease) in debt	18,016	12,002	29,820	26,106	5,643	(1,468)	2,653	(1,127)	(5,359)	(14,344)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	1,225	1,266	1,306	1,346	1,383	1,420	1,455	1,488	1,521	1,554
Total sources of capital funding	**22,964**	**16,401**	**34,021**	**30,437**	**10,094**	**3,100**	**7,335**	**3,662**	**(464)**	**(9,346)**
Applications of capital funding ($'000)										
Capital expenditure - to meet additional demand	5,831	5,480	6,690	18,476	20,397	22,407	15,185	6,205	9,750	9,993
Capital expenditure - to improve levels of services	12,537	9,567	19,645	17,000	8,265	11,930	10,500	16,696	16,165	10,687
Capital expenditure - to replace existing assets	56,653	57,573	71,025	67,883	61,834	56,062	75,753	79,177	74,718	73,413
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**75,022**	**72,620**	**97,359**	**103,359**	**90,496**	**90,399**	**101,437**	**102,078**	**100,633**	**94,092**
Surplus/(deficit) of capital funding ($'000)	**(52,058)**	**(56,219)**	**(63,338)**	**(72,922)**	**(80,402)**	**(87,299)**	**(94,102)**	**(98,415)**	**(101,097)**	**(103,438)**
Funding balance ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Sensitivity: General

Table 42 –Funding impact statement (Wastewater)

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding ($'000)										
General rates	44,563	39,250	37,432	38,564	39,068	38,465	33,914	27,613	23,278	18,666
Targeted rates	120,872	131,465	143,445	158,836	170,476	180,815	190,685	197,243	200,960	205,086
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	243	228	236	243	250	256	263	269	275	280
Fees and charges	6,710	7,118	7,339	7,566	7,778	7,980	8,180	8,368	8,552	8,732
Total sources of operating funding	**172,388**	**178,061**	**188,451**	**205,210**	**217,572**	**227,516**	**233,042**	**233,493**	**233,065**	**232,763**
Applications of operating funding ($'000)										
Payments to staff and suppliers	51,117	51,223	54,140	56,193	57,735	59,942	61,935	63,280	65,375	67,076
Finance costs	32,525	30,818	30,530	32,726	33,876	32,987	29,571	25,526	21,962	18,575
Internal charges and overheads applied	6,180	8,962	8,690	8,899	9,262	9,021	9,034	9,465	9,138	9,194
Other operating funding applications	0	447	447	463	455	455	455	455	455	455
Total applications of operating funding	**89,822**	**91,450**	**93,807**	**98,281**	**101,327**	**102,406**	**100,995**	**98,726**	**96,930**	**95,300**
Surplus/(deficit) of operating funding ($'000)	**82,566**	**86,610**	**94,644**	**106,929**	**116,244**	**125,110**	**132,047**	**134,767**	**136,135**	**137,464**
Source of capital funding ($'000)										
Subsidies and grants for capital expenditure	3,150	8,250	8,250	2,306	0	0	0	0	0	0
Development and financial contributions	11,352	11,738	12,102	12,477	12,826	13,160	13,489	13,799	14,103	14,399
Increase/(decrease) in debt	(22,582)	(8,723)	55,915	31,901	14,116	(49,670)	(86,979)	(74,819)	(67,742)	(67,755)
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**(8,080)**	**11,265**	**76,267**	**46,684**	**26,943**	**(36,510)**	**(73,490)**	**(61,020)**	**(53,639)**	**(53,356)**
Applications of capital funding ($'000)										
Capital expenditure - to meet additional demand	5,097	3,914	13,687	11,539	8,663	3,433	2,835	1,433	1,637	3,638
Capital expenditure - to improve levels of services	14,768	20,342	43,359	29,408	69,717	44,477	1,331	3,142	5,654	1,438
Capital expenditure - to replace existing assets	54,622	73,620	113,865	112,666	64,807	40,690	54,390	69,172	75,205	79,032
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**74,486**	**97,876**	**170,911**	**153,613**	**143,187**	**88,600**	**58,557**	**73,747**	**82,496**	**84,107**
Surplus/(deficit) of capital funding ($'000)	**(82,566)**	**(86,611)**	**(94,644)**	**(106,929)**	**(116,244)**	**(125,110)**	**(132,047)**	**(134,767)**	**(136,135)**	**(137,464)**
Funding balance ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Sensitivity: General

Table 43 – Funding impact statement (Stormwater)

Projected funding impact statement - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding ($'000)										
General rates	15,352	15,734	17,916	20,841	24,111	27,514	31,717	35,354	38,656	42,362
Targeted rates	49,659	53,511	58,018	63,876	68,410	72,454	76,461	79,140	80,745	82,557
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	62	0	0	0	0	0	0	0	0	0
Fees and charges	16	17	18	18	19	19	20	20	21	21
Total sources of operating funding	**65,090**	**69,262**	**75,952**	**84,736**	**92,539**	**99,988**	**108,197**	**114,515**	**119,422**	**124,940**
Applications of operating funding ($'000)										
Payments to staff and suppliers	24,068	22,406	23,652	24,767	25,679	26,835	27,893	28,509	29,431	30,192
Finance costs	10,921	11,322	12,759	15,104	17,222	19,324	21,641	23,423	24,915	26,860
Internal charges and overheads applied	4,053	6,872	6,891	7,093	7,346	7,359	7,496	7,808	7,800	7,948
Other operating funding applications	0	85	85	88	87	87	87	87	87	87
Total applications of operating funding	**39,042**	**40,685**	**43,387**	**47,053**	**50,334**	**53,605**	**57,117**	**59,826**	**62,232**	**65,087**
Surplus/(deficit) of operating funding ($'000)	**26,047**	**28,577**	**32,565**	**37,683**	**42,205**	**46,383**	**51,081**	**54,688**	**57,190**	**59,853**
Source of capital funding ($'000)										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	4,997	5,167	5,327	5,492	5,646	5,793	5,937	6,074	6,208	6,338
Increase/(decrease) in debt	28,403	34,172	44,885	48,918	35,805	48,267	44,395	26,903	32,757	45,055
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	**33,400**	**39,339**	**50,212**	**54,410**	**41,451**	**54,060**	**50,333**	**32,977**	**38,965**	**51,393**
Applications of capital funding ($'000)										
Capital expenditure - to meet additional demand	14,479	19,491	19,050	19,472	11,961	12,456	11,220	4,047	10,540	12,172
Capital expenditure - to improve levels of services	15,886	19,041	45,473	53,519	60,013	75,758	66,585	59,395	63,268	82,998
Capital expenditure - to replace existing assets	29,082	29,385	18,254	19,102	11,682	12,228	23,609	24,223	22,346	16,076
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	0	0	0	0	0	0	0	0	0	0
Total applications of capital funding	**59,447**	**67,916**	**82,777**	**92,093**	**83,656**	**100,442**	**101,414**	**87,665**	**96,155**	**111,246**
Surplus/(deficit) of capital funding ($'000)	**(26,047)**	**(28,577)**	**(32,565)**	**(37,683)**	**(42,205)**	**(46,383)**	**(51,081)**	**(54,688)**	**(57,190)**	**(59,853)**
Funding balance ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Sensitivity: General

2. Projected statement of comprehensive revenue and expense

Complete the following table for each of drinking water, wastewater, stormwater, and combined water services. Add or delete rows as appropriate.

Table 44 – Statement of comprehensive revenue and expenses (Combined Water Services Business Unit)

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue ($000)										
Operating revenue	341,615	361,273	388,429	427,215	456,763	482,860	505,296	517,891	526,335	534,830
Other revenue	33,450	38,873	39,516	34,569	33,206	34,111	35,006	35,854	36,688	37,505
Total revenue	**375,065**	**400,146**	**427,945**	**461,784**	**489,969**	**516,971**	**540,302**	**553,745**	**563,023**	**572,336**
Expenses ($000)										
Operating expenses	121,547	130,910	136,682	142,046	145,828	150,276	154,852	158,534	162,207	165,846
Finance costs	50,794	49,469	51,315	57,253	61,316	62,633	61,563	59,339	57,104	55,169
Overheads and support costs	19,437	25,095	24,789	25,534	26,529	26,289	26,670	27,937	27,595	28,030
Depreciation & amortisation	177,080	180,348	189,657	201,121	211,887	222,698	232,549	241,844	251,504	260,457
Total expenses	**368,859**	**385,821**	**402,443**	**425,954**	**445,560**	**461,896**	**475,634**	**487,653**	**498,409**	**509,503**
Net surplus/(deficit) ($'000)	**6,206**	**14,325**	**25,502**	**35,829**	**44,409**	**55,075**	**64,668**	**66,092**	**64,614**	**62,833**
Revaluation of infrastructure assets			473,663							
Total comprehensive income ($'000)	**174,883**	**468,769**	**499,165**	**533,813**	**565,015**	**575,796**	**601,128**	**593,297**	**602,399**	**594,672**
Cash surplus/(deficit) from operations (ex non-cash items) ($'000)	**183,286**	**194,673**	**215,158**	**236,950**	**256,297**	**277,773**	**297,217**	**307,935**	**316,118**	**323,290**

Table 45 – Statement of comprehensive revenue and expenses (water supply)

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue ($'000)										
Operating revenue	104,137	113,886	123,960	137,201	146,582	155,284	163,983	169,808	173,771	177,047
Other revenue	6,448	5,952	5,807	5,991	6,165	6,333	6,498	6,654	6,808	6,960
Total revenue	**110,586**	**119,838**	**129,767**	**143,192**	**152,747**	**161,617**	**170,481**	**176,462**	**180,579**	**184,007**
Expenses ($'000)										
Operating expenses	39,220	46,120	48,214	50,221	51,109	52,615	54,225	55,431	56,637	57,825
Finance costs	7,348	7,329	8,025	9,424	10,217	10,322	10,351	10,389	10,227	9,735
Overheads and support costs	9,204	9,261	9,208	9,542	9,921	9,910	10,139	10,665	10,657	10,888
Depreciation & amortisation	50,100	50,640	53,468	56,720	59,511	62,617	65,673	68,723	71,903	74,515
Total expenses	**105,872**	**113,349**	**118,916**	**125,906**	**130,757**	**135,463**	**140,389**	**145,209**	**149,424**	**152,964**
Net surplus/(deficit) ($'000)	**4,714**	**6,489**	**10,850**	**17,286**	**21,990**	**26,154**	**30,092**	**31,253**	**31,155**	**31,044**
Revaluation of infrastructure assets										
Total comprehensive income ($'000)	**43,482**	**130,537**	**140,647**	**153,854**	**164,801**	**169,272**	**178,219**	**178,083**	**182,278**	**181,536**
Cash surplus/(deficit) from operations (ex-non-cash items) ($'000)	**54,814**	**57,129**	**64,319**	**74,006**	**81,500**	**88,770**	**95,766**	**99,977**	**103,058**	**105,559**

Sensitivity: General

Table 46 – Statement of comprehensive revenue and expenses (wastewater)

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue ($'000)										
Operating revenue	172,388	178,061	188,451	205,209	217,571	227,516	233,042	233,493	233,065	232,764
Other revenue	17,203	22,784	23,243	17,772	15,911	16,337	16,758	17,157	17,548	17,930
Total revenue	**189,591**	**200,845**	**211,694**	**222,981**	**233,482**	**243,853**	**249,800**	**250,649**	**250,613**	**250,694**
Expenses ($'000)										
Operating expenses	56,337	59,340	61,903	64,095	65,951	67,854	69,770	71,468	73,155	74,831
Finance costs	32,525	30,818	30,530	32,726	33,876	32,987	29,571	25,526	21,962	18,575
Overheads and support costs	6,180	8,962	8,690	8,899	9,262	9,021	9,034	9,465	9,138	9,194
Depreciation & amortisation	91,912	94,515	99,150	105,276	111,165	116,888	121,519	125,619	129,947	134,014
Total expenses	**186,954**	**193,635**	**200,273**	**210,996**	**220,254**	**226,750**	**229,894**	**232,078**	**234,202**	**236,614**
Net surplus/(deficit) ($'000)	**2,637**	**7,210**	**11,420**	**11,985**	**13,228**	**17,103**	**19,906**	**18,571**	**16,410**	**14,080**
Revaluation of infrastructure assets			22[illegible]		244		25			
Total comprehensive income ($'000)	**94,549**	**219,954**	**232,865**	**245,698**	**257,996**	**263,123**	**272,217**	**265,683**	**267,392**	**261,119**
Cash surplus/(deficit) from operations (ex-non-cash items) ($'000)	**94,549**	**101,725**	**110,571**	**117,261**	**124,393**	**133,991**	**141,425**	**144,190**	**146,357**	**148,094**

Table 47 – Statement of comprehensive revenue and expenses (stormwater)

Projected statement of profit and loss - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue ($'000)										
Operating revenue	65,090	69,327	76,019	84,804	92,610	100,060	108,272	114,591	119,500	125,019
Other revenue	9,799	10,137	10,466	10,806	11,130	11,441	11,750	12,043	12,332	12,615
Total revenue	**74,888**	**79,463**	**86,485**	**95,610**	**103,740**	**111,501**	**120,021**	**126,634**	**131,832**	**137,635**
Expenses ($'000)										
Operating expenses	25,991	25,450	26,565	27,730	28,768	29,806	30,857	31,634	32,414	33,190
Finance costs	10,921	11,322	12,759	15,104	17,222	19,324	21,641	23,423	24,915	26,860
Overheads and support costs	4,053	6,872	6,891	7,093	7,346	7,359	7,496	7,808	7,800	7,948
Depreciation & amortisation	35,068	35,193	37,038	39,125	41,212	43,194	45,357	47,501	49,654	51,928
Total expenses	**76,033**	**78,838**	**83,253**	**89,052**	**94,548**	**99,683**	**105,351**	**110,367**	**114,783**	**119,925**
Net surplus/(deficit) ($'000)	**(1,145)**	**626**	**3,231**	**6,558**	**9,191**	**11,818**	**14,670**	**16,267**	**17,049**	**17,709**
Revaluation of infrastructure assets		117,652								
Total comprehensive income ($'000)	**36,853**	**118,278**	**125,654**	**134,260**	**142,218**	**143,402**	**150,693**	**149,531**	**152,728**	**152,017**
Cash surplus/(deficit) from operations (ex-non-cash items) ($'000)	**33,924**	**35,819**	**40,269**	**45,683**	**50,403**	**55,012**	**60,027**	**63,769**	**66,703**	**69,637**

Sensitivity: General

3. Projected statement of cashflows

Complete the following table for each of drinking water, wastewater, stormwater, and combined water services. Add or delete rows as appropriate.

Table 48 – Statement of cashflows (combined Water Services Business Unit)

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities ($'000)										
Cash surplus/(deficit) from operations	160,671	171,407	190,546	217,534	238,851	258,791	277,230	287,871	294,422	300,755
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	**160,671**	**171,407**	**190,546**	**217,534**	**238,851**	**258,791**	**277,230**	**287,871**	**294,422**	**300,755**
Cashflows from investing activities ($'000)										
Capital expenditure – infrastructure assets	24,447	29,554	29,880	24,606	22,924	23,521	24,108	24,662	25,205	25,735
[Other items]	(208,955)	(238,412)	(351,047)	(349,065)	(317,339)	(279,441)	(261,407)	(263,490)	(279,284)	(289,446)
Net cashflows from investing activities	**(184,509)**	**(208,858)**	**(321,167)**	**(324,459)**	**(294,416)**	**(255,921)**	**(237,299)**	**(238,828)**	**(254,079)**	**(263,710)**
Cashflows from financing activities ($'000)										
New borrowings	66,192	82,012	177,915	160,151	114,127	71,727	74,367	55,574	59,049	68,430
Repayment of borrowings	(42,355)	(44,561)	(47,295)	(53,225)	(58,563)	(74,598)	(114,298)	(104,617)	(99,392)	(105,475)
Net cashflows from financing activities	**23,837**	**37,451**	**130,620**	**106,926**	**55,564**	**(2,871)**	**(39,931)**	**(49,043)**	**(40,343)**	**(37,044)**
Net increase/(decrease) in cash and cash equivalents ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 49 – Statement of cashflows (water supply)

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities ($'000)										
Cash surplus/(deficit) from operations	52,058	56,219	63,338	72,922	80,402	87,299	94,102	98,415	101,097	103,438
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	**52,058**	**56,219**	**63,338**	**72,922**	**80,402**	**87,299**	**94,102**	**98,415**	**101,097**	**103,438**
Cashflows from investing activities ($'000)										
Capital expenditure – infrastructure assets	4,948	4,399	4,201	4,331	4,451	4,568	4,682	4,789	4,895	4,998
[Other items]	(75,022)	(72,620)	(97,359)	(103,359)	(90,496)	(90,399)	(101,437)	(102,078)	(100,633)	(94,092)
Net cashflows from investing activities	**(70,074)**	**(68,221)**	**(93,158)**	**(99,028)**	**(86,045)**	**(85,831)**	**(96,755)**	**(97,289)**	**(95,738)**	**(89,094)**
Cashflows from financing activities ($'000)										
New borrowings	22,994	17,746	36,156	33,647	14,305	7,671	12,048	8,670	4,727	0
Repayment of borrowings	(4,978)	(5,744)	(6,336)	(7,541)	(8,662)	(9,139)	(9,395)	(9,797)	(10,086)	(14,344)
Net cashflows from financing activities	**18,016**	**12,002**	**29,820**	**26,106**	**5,643**	**(1,468)**	**2,653**	**(1,127)**	**(5,359)**	**(14,344)**
Net increase/(decrease) in cash and cash equivalents ($000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Sensitivity: General

Table 50 – Statement of cashflows (wastewater)

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities ($'000)										
Cash surplus/(deficit) from operations	82,566	86,610	94,644	106,929	116,244	125,110	132,047	134,767	136,135	137,464
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	**82,566**	**86,610**	**94,644**	**106,929**	**116,244**	**125,110**	**132,047**	**134,767**	**136,135**	**137,464**
Cashflows from investing activities ($'000)										
Capital expenditure – infrastructure assets	14,502	19,988	20,352	14,783	12,826	13,160	13,489	13,799	14,103	14,399
[Other items]	(74,486)	(97,876)	(170,911)	(153,613)	(143,187)	(88,600)	(58,557)	(73,747)	(82,496)	(84,107)
Net cashflows from investing activities	**(59,984)**	**(77,888)**	**(150,559)**	**(138,830)**	**(130,361)**	**(75,440)**	**(45,068)**	**(59,948)**	**(68,393)**	**(69,708)**
Cashflows from financing activities ($'000)										
New borrowings	7,176	21,274	86,621	65,495	49,893	0	0	0	0	0
Repayment of borrowings	(29,758)	(29,997)	(30,706)	(33,594)	(35,777)	(49,670)	(86,979)	(74,819)	(67,742)	(67,755)
Net cashflows from financing activities	**(22,582)**	**(8,723)**	**55,915**	**31,901**	**14,116**	**(49,670)**	**(86,979)**	**(74,819)**	**(67,742)**	**(67,755)**
Net increase/(decrease) in cash and cash equivalents ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 51 – Statement of cashflows (stormwater)

Projected statement of cashflows - water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities ($'000)										
Cash surplus/(deficit) from operations	26,047	28,577	32,565	37,683	42,205	46,383	51,081	54,688	57,190	59,853
[Other items]	0	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	**26,047**	**28,577**	**32,565**	**37,683**	**42,205**	**46,383**	**51,081**	**54,688**	**57,190**	**59,853**
Cashflows from investing activities ($'000)										
Capital expenditure – infrastructure assets	4,997	5,167	5,327	5,492	5,646	5,793	5,937	6,074	6,208	6,338
[Other items]	(59,447)	(67,916)	(82,777)	(92,093)	(83,656)	(100,442)	(101,414)	(87,665)	(96,155)	(111,246)
Net cashflows from investing activities	**(54,450)**	**(62,749)**	**(77,450)**	**(86,601)**	**(78,010)**	**(94,650)**	**(95,476)**	**(81,591)**	**(89,947)**	**(104,909)**
Cashflows from financing activities ($'000)										
New borrowings	36,022	42,992	55,138	61,009	49,929	64,056	62,319	46,904	54,322	68,430
Repayment of borrowings	(7,619)	(8,820)	(10,253)	(12,091)	(14,124)	(15,789)	(17,924)	(20,001)	(21,565)	(23,375)
Net cashflows from financing activities	**28,403**	**34,172**	**44,885**	**48,918**	**35,805**	**48,267**	**44,395**	**26,903**	**32,757**	**45,055**
Net increase/(decrease) in cash and cash equivalents ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents at beginning of year	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at end of year ($'000)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Sensitivity: General

4. Projected statement of financial position

Complete the following table for each of drinking water, wastewater, stormwater, and combined water services. Add or delete rows as appropriate.

Table 52 – Statement of financial position (combined Water Services Business Unit)

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets ($'000)										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	7,889,528	8,411,355	9,056,044	9,711,934	10,348,274	10,936,329	11,512,545	12,072,588	12,649,636	13,222,235
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	**7,889,528**	**8,411,355**	**9,056,044**	**9,711,934**	**10,348,274**	**10,936,329**	**11,512,545**	**12,072,588**	**12,649,636**	**13,222,235**
Liabilities ($'000)										
Borrowings – current portion	44,561	47,295	53,225	58,563	62,368	64,351	65,165	65,702	66,548	67,531
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	878,975	913,691	1,038,381	1,139,968	1,191,728	1,186,874	1,146,129	1,096,548	1,055,360	1,017,332
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	**923,535**	**960,986**	**1,091,606**	**1,198,532**	**1,254,096**	**1,251,225**	**1,211,294**	**1,162,251**	**1,121,907**	**1,084,863**
Net assets ($'000)	**6,965,993**	**7,450,369**	**7,964,437**	**8,513,402**	**9,094,178**	**9,685,104**	**10,301,251**	**10,910,338**	**11,527,728**	**12,137,372**
Equity ($'000)										
Revaluation reserves	168,677	623,120	1,096,784	1,594,767	2,115,373	2,636,094	3,172,554	3,699,759	4,237,544	4,769,384
Other reserves	6,797,316	6,827,248	6,867,654	6,918,635	6,978,805	7,049,010	7,128,697	7,210,578	7,290,184	7,367,988
Total equity ($'000)	**6,965,993**	**7,450,369**	**7,964,437**	**8,513,402**	**9,094,178**	**9,685,104**	**10,301,251**	**10,910,338**	**11,527,728**	**12,137,372**

Table 53 – Statement of financial position (water supply)

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets ($'000)										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	2,167,595	2,315,176	2,490,469	2,675,337	2,850,848	3,023,513	3,209,219	3,391,268	3,573,035	3,745,066
Other non-current assets	0	0	0	0	0	0	0		0	0
Total assets	**2,167,595**	**2,315,176**	**2,490,469**	**2,675,337**	**2,850,848**	**3,023,513**	**3,209,219**	**3,391,268**	**3,573,035**	**3,745,066**
Liabilities ($'000)										
Borrowings – current portion	5,744	6,336	7,541	8,662	9,139	9,395	9,797	10,086	10,243	10,106
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	127,852	139,262	167,877	192,861	198,027	196,303	198,555	197,139	191,623	177,415
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	**133,596**	**145,598**	**175,418**	**201,524**	**207,166**	**205,698**	**208,351**	**207,225**	**201,866**	**187,522**
Net assets ($'000)	**2,034,000**	**2,169,579**	**2,315,052**	**2,473,813**	**2,643,681**	**2,817,815**	**3,000,868**	**3,184,044**	**3,371,169**	**3,557,545**
Equity ($'000)										
Revaluation reserves	38,768	162,815	292,612	429,180	571,992	715,110	863,236	1,010,065	1,161,189	1,311,681
Other reserves	1,995,231	2,006,763	2,022,440	2,044,633	2,071,690	2,102,705	2,137,632	2,173,978	2,209,981	2,245,864
Total equity ($'000)	**2,034,000**	**2,169,579**	**2,315,052**	**2,473,813**	**2,643,681**	**2,817,815**	**3,000,868**	**3,184,044**	**3,371,169**	**3,557,545**

Sensitivity: General

Table 54 – Statement of financial position (wastewater)

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets ($'000)										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	3,455,170	3,674,071	3,970,167	4,255,206	4,535,080	4,755,989	4,948,607	5,147,204	5,354,180	5,554,844
Other non-current assets	0	0	0	0	0	0	0		0	0
Total assets	**3,455,170**	**3,674,071**	**3,970,167**	**4,255,206**	**4,535,080**	**4,755,989**	**4,948,607**	**5,147,204**	**5,354,180**	**5,554,844**
Liabilities ($'000)										
Borrowings – current portion	29,997	30,706	33,594	35,777	37,440	37,032	35,367	34,052	32,929	31,768
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	561,373	551,941	604,968	634,686	647,139	597,877	512,563	439,059	372,440	305,845
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	**591,370**	**582,647**	**638,562**	**670,463**	**684,579**	**634,909**	**547,930**	**473,111**	**405,369**	**337,614**
Net assets ($'000)	**2,863,800**	**3,091,424**	**3,331,605**	**3,584,742**	**3,850,501**	**4,121,080**	**4,400,677**	**4,674,093**	**4,948,811**	**5,217,230**
Equity ($'000)										
Revaluation reserves	91,912	304,656	526,100	759,814	1,004,581	1,250,601	1,502,912	1,750,023	2,001,005	2,248,044
Other reserves	2,771,889	2,786,768	2,805,505	2,824,929	2,845,919	2,870,479	2,897,766	2,924,070	2,947,806	2,969,186
Total equity ($'000)	**2,863,800**	**3,091,424**	**3,331,605**	**3,584,742**	**3,850,501**	**4,121,080**	**4,400,677**	**4,674,093**	**4,948,811**	**5,217,230**

Table 55 – Statement of financial position (stormwater)

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets ($'000)										
Cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	2,266,763	2,422,107	2,595,408	2,781,392	2,962,346	3,156,827	3,354,718	3,534,116	3,722,420	3,922,324
Other non-current assets	0	0	0	0	0	0	0		0	0
Total assets	**2,266,763**	**2,422,107**	**2,595,408**	**2,781,392**	**2,962,346**	**3,156,827**	**3,354,718**	**3,534,116**	**3,722,420**	**3,922,324**
Liabilities ($'000)										
Borrowings – current portion	8,820	10,253	12,091	14,124	15,789	17,924	20,001	21,565	23,375	25,656
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	189,750	222,489	265,536	312,421	346,561	392,693	435,011	460,351	491,297	534,071
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	**198,570**	**232,742**	**277,627**	**326,545**	**362,350**	**410,617**	**455,012**	**481,915**	**514,673**	**559,728**
Net assets ($'000)	**2,068,193**	**2,189,366**	**2,317,781**	**2,454,847**	**2,599,996**	**2,746,210**	**2,899,706**	**3,052,201**	**3,207,748**	**3,362,596**
Equity ($'000)										
Revaluation reserves	37,997	155,649	278,072	405,774	538,800	670,384	806,407	939,671	1,075,351	1,209,658
Other reserves	2,030,196	2,033,717	2,039,709	2,049,073	2,061,196	2,075,826	2,093,299	2,112,529	2,132,397	2,152,938
Total equity ($'000)	**2,068,193**	**2,189,366**	**2,317,781**	**2,454,847**	**2,599,996**	**2,746,210**	**2,899,706**	**3,052,201**	**3,207,748**	**3,362,596**

Sensitivity: General

Part F Water Services Delivery Plan: additional information

Additional disclosures to support Plan
Councils are requested to provide additional disclosures to accompany Plans: • *Projected expenditure on significant capital projects; and* • *Disclosure of risks and material assumptions for water services delivery.* *The information disclosure requirements have been set out in template form in this addendum section.* *Councils may wish to use this suggested template, or alternatively can provide this supporting information in another form.*

Sensitivity: General

i Significant capital projects

This section is to provide a schedule of all material capital projects included in the investment projections in the Plan. Councils are encouraged to set and describe an appropriate materiality threshold for populating these schedules, for example as currently provided in your Long-Term Plans. Councils may wish to include capital projects details that cover an additional 20 years (referring to Infrastructure Strategy).

Capital projects listed below have been pulled from the Long-Term plans. To highlight significant projects in the years of the Water Services Delivery Plan, projects less than 5million budgeted have been emitted.

Significant capital projects

1. Significant capital projects – drinking water

Table 56 – Significant water supply projects

Significant capital projects – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand ($'000)										
Programme - WS New Pump Stations for Growth			899	3087	2107	7368	1912	1005	4645	4738
WS New Connections	1500	1551	1587	1625	1664	1700	1738	1774	1810	1846
Programme - WS Reticulation New Mains					555	1134	1159	1183	1206	1231
WS Moorhouse Avenue Pump Station	5	207	2644	3791	2791	2374				
WS Koukourārata Drinking Water Scheme	300	310	779	6038	3078					
WS Ferrymead WSZ Capacity Upgrade		103	529	1450	7547	6445	5934			
Programme - WS New Wells for Growth				1300	1331	1360	1390	1419	1448	1477
Total investment to meet additional demand ($'000)	**1,805**	**2,171**	**6,438**	**17,291**	**19,073**	**20,381**	**12,133**	**5,381**	**9,109**	**9,292**
Projects to improve levels of services ($'000)										
WS Wrights Road Suction Tank & Pump Station Building (PS1080)	169	3136	2923							
WS Okains Bay New Water Supply	500	890	3870	2188						
Programme - WS New Chlorination Equipment & Controls (D3 com)	1000	2068	2116	2166	2218	5668	5793	11828	12065	6153
WS Smart Customer Water Meter Rollout	1000	1034	1058	1083	1664	1700	2317	2366	2413	2461
WS Rezoning Stage 1 Implementation				654	3106	2670				
Total investment to meet improve levels of services ($'000)	**2,669**	**7,128**	**9,967**	**6,091**	**6,988**	**10,038**	**8,110**	**14,194**	**14,478**	**8,614**
Projects to replace existing assets ($'000)										
WS Averill Street Pump Station Renewal (PS1005)	100	103	5289	8070	3327	1134				
Programme - WS Pumping & Storage Electrical Renewals	10	333	638	668	460	761	1127	1242	1313	713
Programme - WS Mains Renewals	2100		1233	32560	33249	39540	52292	56185	51879	52917
Programme - WS Headworks Well Renewals		207	1058	1083	1109	1134	2317	2366	1206	1231
Programme - WS Submains Renewals	2754	4136	4231	4333	4437	4534	9268	9463	9652	6153
WS Reactive Mains & Submains Renewal	600	620	635	650	665	680	695	710	724	738
WS Kerrs Road Pump Station Renewal (PS1022)	50	672	5289	6066	3327	1134				
WS Grampian Street Suction Tank Renewal (PS1074)	150	155	1587	3011	5444					
WS Mains Memorial, Hampton, Frith, Grangewood, Kyburn & Brac	3657	2443								
Programme - WS Pumping & Storage Civils and Structures Renewals			500	162	1109	1134	1159	1183	2724	2461
WS Mains Brougham, Jerrold, Selwyn, Somerset, Colombo, Walth	308	2313	12921							
WS Mains Hugg, Trur, Norw, Worc, Mari, Copen, Gain, Akar,	1513	4219	1300							
WS Mains Main South, Main North & Cassidy Renewals	149	4026	3363							
WS Mains Marine, Ngatea, Te Ara, Marama, Ranui, Koromiko & Ja	124	3689	3093							
WS Lyttelton Rail Tunnel Pipeline Renewals	200	310	4231	5416	3327					
Total investment to replace existing assets ($'000)	**11,715**	**23,226**	**45,368**	**62,019**	**56,454**	**50,051**	**66,858**	**71,149**	**67,498**	**64,213**
Total investment in drinking water assets ($'000)	**16,189**	**32,525**	**61,773**	**85,401**	**82,515**	**80,470**	**87,101**	**90,724**	**91,085**	**82,119**

Sensitivity: General

2. Significant capital projects – wastewater

Table 57 – Significant wastewater projects

Significant capital projects – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand ($'000)										
Programme - WW New Mains			402	812	832	567	753	1065	701	1514
WW Grassmere Wet Weather Storage Facility	3200	11374	11636	4413						
Programme - WW New Mains			402	812	832	567	753	1065	701	1514
WW Grassmere Wet Weather Storage Facility	3200	11374	11636	4413						
Total investment to meet additional demand ($'000)	**6,400**	**22,748**	**24,076**	**10,450**	**1,664**	**1,134**	**1,506**	**2,130**	**1,402**	**3,028**
Projects to improve levels of services ($'000)										
Programme - WW New Reticulation Odour Control			434	1083	1109	1134	1159	1183	1206	1231
WW Duvauchelle Treatment and Disposal Renewal	1000	1034	5712	5253	5013					
WW Riccarton Interceptor (Upper Riccarton)	5500	5056	2670							
WW Selwyn Pump Station (PS0152), Pressure Main and Sewer Upg	494	5049	5289	10832	12874	5668	5793	5914		
CWTP Biogas Engine Upgrade (Generator 1)			5989	358						
WW Akaroa Reclaimed Water Treatment & Reuse Scheme	3106	8272	26609	26586	14158	14793				
CWTP Biosolids Holding Tank	20	47						1774	4187	
CWTP Biosolids Dewatering Belt Press Upgrade					1109	2267	2317			
Total investment to meet improve levels of services ($'000)	**10,120**	**19,458**	**46,703**	**44,112**	**34,263**	**23,862**	**9,269**	**8,871**	**5,393**	**1,231**
Projects to replace existing assets ($'000)										
WW Reactive Lateral Renewals	500	517	529	1083	1109	1134	1159	1183	1206	1231
WW Locarno Street Pump Station Renewal (PS0020)								59	905	9919
CWTP Treatment Plant Asset Reactive Renewals	600	620	635	650	665	680	695	710	724	738
Programme - WW Reticulation Renewals	100	300	209	9728	29947	32873	33597	44948	50673	41841
Programme - WW Treatment Plant Civil Structures & Buildings		52	317	477	555	759	834	964	1044	1188
Programme - WW Treatment Plant Mechanical Renewals	460	587	1643	2094	752	907	927	946	965	984
CWTP Biogas Storage Upgrade	5158	9189	130							
WW Reactive Mains Renewals & Capex Repairs	500	517	529	542	555	567	579	591	603	615
CWTP Wastewater Digester 1-4 Roof Renewal				2512	2645	2781				
Programme - WW Pump & Storage Instrumentation Control & Auto	10	103	846	596	721	567	1610	1360	1408	816
CWTP Renewals & Replacements	4000	36190	48658	27079						
WW Langdons Rd Mains Renewal	3840	1352	1211							
WW Fitzgerald Ave Brick Barrel Mains Renewal	250	380	12505	7701						
WW Buchanans Road Mains Renewal	2750	4198	1300							
WW Brougham Street Mains Renewals (NZTA)	2400	5170	6225							
WW Lincoln Road Mains Renewal	100	517	1804	2600						
WW Reactive Wastewater Reticulation Renewals (Maintenance Co	650	672	688	812	832	850	869	887	905	923
CWTP Wastewater Pond transfer structure renewal	300	310	317	325	333	340	348	1922	1961	2000
CWTP Wastewater Thermophilic digesters overhaul.	250	2068	2116	812						
CWTP Wastewater Clarifiers structures overhaul							1159	1183	1206	6153
CWTP Wastewater Thermophilic and Mesophilic air blowers renewals							579	2188	2232	2277
Total investment to replace existing assets ($'000)	**21,868**	**62,742**	**79,662**	**57,011**	**38,114**	**41,458**	**42,356**	**56,941**	**63,832**	**68,685**
Total investment in wastewater assets ($'000)	**38,388**	**104,948**	**150,441**	**111,573**	**74,041**	**66,454**	**53,131**	**67,942**	**70,627**	**72,944**

Sensitivity: General

3. Significant capital projects – stormwater

Table 58 – Significant stormwater projects

Significant capital projects – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand ($'000)										
STYX SMP - Waterway Detention and Treat				1,926	2,326	5,138	2,331	1,788	3,075	2,273
Programme - SW Management Plan on Pūharakekenui - Styx Waterway Detention & Treatment Facilities				1926	2327	5138	2332	1789	3076	2273
SW Eastman Sutherland and Hoon Hay Wetlands	3150	2946								
SW Spreydon Lodge Infrastructure Provision Agreement (IPA)	611	1204	1175	1762	775					
SW Gardiners Stormwater Facility	1906	2505	1167	300						
SW Greens Stormwater Facility	734	748	1748	1376	1229	400				
SW Otukaikino Stormwater Facility	268	708	2818	3286	2055	4196	793	317		
Programme - SW Outer Christchurch Ōtukaikino Waterways Deten	4	60	111	140	739	4243	5864	887	926	966
SW Kainga Basins							232	591	5550	7792
SW Highsted Styx Mill Reserve Wetland	100	103	2116	2166	2649					
SW Highsted Wetland, Highams Basin & Pūharakekenui - Styx Street	1974	6334	4994	4347	100					
Total investment to meet additional demand ($'000)	**8,747**	**14,608**	**14,129**	**17,229**	**12,200**	**19,115**	**11,552**	**5,372**	**12,627**	**13,304**
Projects to improve levels of services ($'000)										
Programme - SW Ōpāwaho - Heathcote Waterways Detention & Treatment Facilities							1904	5252	4818	5621
Programme - SW Ōtākaro - Avon Waterway Detention & Treatment Facilities		119	115	3888	2794	3934	6623	6762	8104	9497
Programme - SW Ōtākaro Avon Floodplain Management Implementation FY32-48 (OARC)								2957	7239	14152
SW Horners Kruses Basin					152	155	2108	4671	1206	8100
SW Addington Brook & Riccarton Drain Filtration Devices	1038	1365	3621	2318	1514	1816	6092	6900		
Programme - SW Estuary & Coastal Waterways Detention & Treatment Facilities					555	537	2107	863	1079	1464
Programme - SW Banks Peninsula Settlements Waterways Detention & Treatment Facilities					55	661	1238	471	1602	4458
Programme - SW Lower Ōpāwaho - Heathcote River Guidance Pla	500	517	529	542	555	567	579	591	603	615
SW Waikākāriki - Horseshoe Lake Stormwater Treatment (Stage 1)	873	1698	2964	3333	5540	1678				
SW Waikākāriki - Horseshoe Lake Stormwater Treatment (Stage 2)	504	480	1141	3203	5878	6482	232			
SW Dudley Diversion Basins	1	1	211	1172	1597	4282	1159	591		
SW Dudley Diversion Wetlands					555	5725	2317	237	1206	3692
SW Styx and Citywide Flood Modelling Renewals	1937	1357	1587	1462	542	227				
SW South New Brighton & Southshore Estuary Edge Flood Mitigation	2001	1765	1748							
Programme - SW Flood and Stormwater Priority Works (OARC)		52	1086	3058	2773	3035	3334	237		
SW Ōtākaro Avon River Corridor Anzac Drive to Waitaki Street Sto	2404	2486	2490	1467	1446	3745	4059	4145	2900	3081
SW Ōtākaro Avon River Corridor Stopbank from Pages Road to Bri	238	749	2985	4247	3278	2553	4405	2962	3624	4622
SW Port Hills Revegetation and Sediment Control Stage 1	1550	791	826	1882						
SW Ōtākaro Avon River Corridor Avondale to ANZAC (OARC)				27	444	1389	2317	5323	4826	5784
Programme - Flood Intervention			1083	1091	1195	1416	1517	1999	2141	2293
Programme - Flood Intervention			1083	1091	1195	1416	1517	1999	2141	2293
SW Ōtākaro Avon River Corridor Waitaki Street Treatment Facility (OARC)		1	1428	1625	2662	2834	3765	591	603	
Programme - SW Improving Urban Waterways	50	103	1640	2004	2717	2777	2838	2898	2956	3015
Programme - Surface Flooding Reduction			21156	21663	22183	22671	23170	23657	24130	24612
Total investment to meet improve levels of services ($'000)	**11,096**	**11,484**	**45,693**	**54,073**	**57,630**	**67,900**	**71,281**	**73,106**	**69,178**	**93,299**
Projects to replace existing assets ($'000)										
Programme - SW Reticulation Renewals		178	3123	3301	3327	3401	3476	3549	3619	4307
SW Timber Lining Renewal - Marshland Road Canal Reserve Drain	1825	3737								

Sensitivity: General

Programme - SW Open Waterway Renewals			740	758	776	793	1390	1419	1448	861
Programme - SW Stormwater Drainage Reactive Renewals	200	517	611	643	648	851	889	748	779	813
Total investment to replace existing assets ($'000)	**2,025**	**4,432**	**4,474**	**4,702**	**4,751**	**5,045**	**5,755**	**5,716**	**5,846**	**5,981**
Total investment in stormwater assets ($'000)	**21,868**	**30,524**	**64,296**	**76,004**	**74,581**	**92,060**	**88,588**	**84,194**	**87,651**	**112,584**

ii Risks and assumptions

Disclosure of risks and material assumptions for water services delivery

Councils may wish to disclose risks and material assumptions for water services delivery that have been included in the Plan. The following optional table has been included as a way such risks and assumptions could be summarised.

Risks and material assumptions for water services delivery that have been included in the Water Service Delivery Plan are listed in the below tables. For a comprehensive list of financial sustainability risks and assumptions, refer to Part D Section i3.

1.1. Significant Risks

Significant Risks	All Water Services		
Parameters • Future water service delivery • Network performance • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Long term issues e.g. providing for growth, climate change	• Central government reform limiting councils to deliver water services • Local government reform • Significant natural disaster causing damage to Council assets • Pandemic or similar event • Global unrest such as a war • Change in council strategy • Loss of council staff with institutional and operational knowledge • Staff strikes at key operation facilities • Expected population growth exceeds expected. • Areas of growth differ from that expected and outlined in district plan • Inflation and cost escalation • Varying costs to delivery capital projects within budget		
	Drinking supply	**Wastewater**	**Stormwater**
	• Taumata Arowai water supply compliance changes • Unable to take water from current water source (aquifer)	• Conflict between Regional Councils and Taumata Arowai • Changes to wastewater discharge rules whether from the Resource Management Act or Taumata Arowai.	• Changes to wastewater discharge rules whether from the Resource Management Act or Taumata Arowai.

Sensitivity: General

1.2. Assumptions Made

Significant assumptions	All Water Services		
Parameters • Future water service delivery • Network performance • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Long term issues e.g. providing for growth, climate change	• Rating for renewals by 2032 • Capacity in the consultant/contractor sector to deliver capital programme. • All Council assets are insured sufficiently • Climate change models are as accurate as possible. • Financial models are accurate and have no significant bugs • Continuing relationship with communities • Continuing relationship with local Iwi • Adequate calculation of debt headroom in case of significant event • Organisation structure has minor change and stays within Council • IT systems are updated as required • Operational efficiencies will improve over time		
	Drinking supply	**Wastewater**	**Stormwater**
	• Water supply network assets condition, theoretical useful life is accurate as possible • Water supply will continue to comply with health, safety and environmental regulations • AAIF tool has no bugs and input data used is accurate. • Chlorination and fluorination implementation will continue • Residential water usage remains inline with projections both annually and seasonal pattern • Industrial, commercial, agricultural water usage remains inline with projections annually and seasonal patterns • Digital metering will provide reliable performance	• Wastewater network assets condition, theoretical useful life is accurate as possible • AAIF tool has no bugs and input data used is accurate • Wastewater treatment will continue to comply with health, safety and environmental regulations • Capacity of WWTPs will remain sufficient for growth expected • Major renewal or upgrades to WWTP will remain scheduled in LTP	• Stormwater network assets condition, theoretical useful life is accurate as possible • AAIF tool has no bugs and input data used is accurate • Stormwater discharge will continue to comply with health, safety and environmental regulations

5. Items Closed to the Public

The information session/workshop items noted from the next page will not be open to the public under the sections of the Local Government Official Information and Meetings Act 1987 (LGOIMA) outlined in the table on the following page. The full wording of the noted LGOIMA sections is found in section 6 or section 7 of the Act.

In the Council's view, these reasons for exclusion are not outweighed by public interest considerations in section 7(1) favouring their release.

The public can ask the Ombudsman to review this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

ITEM NO.	GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED	SECTION	SUBCLAUSE AND REASON UNDER THE ACT	PUBLIC INTEREST CONSIDERATION	POTENTIAL RELEASE REVIEW DATE AND CONDITIONS
6.	EXTERNAL AGENCY UPDATE	S 7(2)(F)(I)	FREE AND FRANK DISCUSSION	THIS MATTER IS OF HIGH PUBLIC INTEREST BUT THIS DOES NOT OUTWEIGH THE ABILITY OF THE COUNCIL TO RECEIVE A CONFIDENTIAL BREIFING FROM AN EXTERNAL AGENCY ON PROPOSED CHANGES AND IMPACTS AND DISCUSS THEM.	12 AUGUST 2026 AT THE DISCRETION OF THE CHIEF EXECUTIVE.
7.	TRANSFER STATION MASTER PLANNING UPDATE	S7(2)(I)	CONDUCT OF NEGOTIATIONS	THE SESSION AND ANY SHARED INFORMATION ARE CONFIDENTIAL. THE PRESENTATION AND THIS COVERSHEET INCLUDE WORKING PLANS THAT WILL BE THE BASIS OF AN UPCOMING PROCUREMENT PROCESS.	1 JULY 2026 AFTER THE PROCUREMENT PROCESS IS COMPLETE