AGENDA

Ordinary Council

Hui a te Kaunihera

Thursday, 14 August 2025

Tāite, 14 Hereturikōkā 2025

Tōtara Room, Whakatāne District Council
14 Commerce Street, Whakatāne
Commencing at 9:00 am

Chief Executive: Steven Perdia | Publication Date: 8 August 2025

whakatane.govt.nz

WHAKATĀNE District Council
Kia Whakatāne au i ahau

Live Streaming the Meeting - *Ka whakapāho mataora te hui*

PLEASE NOTE
The **public section** of this meeting will be Live Streamed via YouTube in real time. The live stream link will be available via Council's website.
All care will be taken to maintain your privacy however, as a visitor in the public gallery, your presence may be recorded. By remaining in the public gallery, it is understood your consent is given if your image is inadvertently broadcast.
The opinions or statements expressed during a meeting by individuals are their own, and they do not necessarily reflect the views of the Whakatāne District Council. Council thus disclaims any liability with regard to said opinions or statements.

A Membership - *Mematanga*

Mayor Dr Victor Luca

Deputy Mayor Lesley Immink

Councillor Toni Boynton

Councillor Gavin Dennis

Councillor Andrew Iles

Councillor Wilson James

Councillor Julie Jukes

Councillor Tu O'Brien

Councillor John Pullar

Councillor Ngapera Rangiaho

Councillor Nandor Tánczos

B Powers of the Council - *Te mana o te Kaunihera*

The Council will meet Eight weekly to make decisions on all matters that cannot be delegated, that it has not delegated or that it has had referred to it by staff or a committee. Extraordinary Council meetings will be called when required in between the Eight weekly cycle for specific purposes such as hearing the Annual Plan submissions.

The powers that cannot be delegated by the Council are:

a. the power to make a rate
b. the power to make a bylaw
c. the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan
d. the power to adopt a Long-term plan, Annual plan or Annual report
e. the power to appoint a Chief executive
f. the power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the long-term plan or developed for the purpose of the Local Governance Statement
g. the power to adopt a remuneration and employment policy

The powers that can be delegated but which the Council retains:

a. Approve the Council's recommendation to the Remuneration Authority for the remuneration of additional positions of responsibility for elected members and elected members expenses rules
b. Approve the Local Governance Statement (called "A Guide to the Whakatāne District Council") produced following the triennial election of members
c. Resolve those decisions required to be made by a local authority under the Local Electoral Act 2001 including the appointment of electoral officer.
d. Determine whether or how to fill any extraordinary Council vacancies within 12 months of an election
e. Review and make decisions on Council membership and the basis for elections through representation reviews
f. Set the direction for the Long-Term Plan
g. Hearing of submissions on the Long-Term Plan and, if required, the Annual Plan
h. Appoint and discharge trustees, directors or office holders to Council's Council-Controlled organisations and to other external bodies
i. Agree the final Statement of Intent for Council's Council-Controlled organisations
j. Adopt the Half Yearly and Full Year Annual Report of the Whakatāne Airport
k. Approve the purchase, sale and disposal of Council property
l. Approve a proposed plan or a change to a District Plan under Clause 17 of the First Schedule of Resource Management Act 1991 (RMA); A1827586 April 2021 Page 14 of 37.
m. Approve changes to the status or revoke the status of a reserve as defined in the Reserves Act 1977
n. Authority to name or rename a reserve in accordance with the Reserves Management Plan;

B Powers of the Council - *Te mana o te Kaunihera* (Cont.)

o. Authorise any unbudgeted expenditure that exceeds the delegation levels provided to officers, committees or other subordinate decision-making bodies of Council

p. Approve recommendations from relevant Committees for new fees and charges for services provided, outside of the Annual Plan or Long Term Plan process.

Procedural matters exercised by Council:

a. Receive minutes and recommendations, and make decisions on any recommendations from:

- Standing Committees, Joint Committees and Joint Forums
- Iwi Chairs Forum
- Commercial Advisory Board
- Toi Economic Development Agency
- Any other Council appointed advisory board or forum with Council as the parent committee

b. Consider any matters referred to it from any of the Committees, the Mayor, or Chief Executive.

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1 Prayer - *Karakia*

1 Prayer - *Karakia*

2 Meeting Notices - *Ngā Pānui o te hui*

1. Live Streaming

The Whakatāne District Council livestreams Council and Standing Committee meetings held in Tōtara Room, within the Council building. The webcast will live stream directly to Council's YouTube channel in real time. The purpose of streaming meetings live is to encourage transparency of Council meetings.

Welcome to members of the public who have joined online and to those within the public gallery.

By remaining in the public gallery, it is understood your consent has been given if your presence is inadvertently broadcast. Please be aware the microphones in Totara Room are sensitive to noise, so please remain quiet throughout the meeting unless asked to speak.

2. Health and Safety

In case of an emergency, please follow the building wardens or make your way to the nearest exit. The meeting point is located at Peace Park on Boon Street.

Bathroom facilities are located opposite the Chambers Foyer entrance (the entrance off Margaret Mahy Court).

3. Other

3 Apologies - *Te hunga kāore i tae*

No apologies were recorded at the time of compiling the agenda.

4 Acknowledgements / Tributes - *Ngā mihimihi*

An opportunity for members to recognise achievements, to notify of events, or to pay tribute to an occasion of importance.

5 Conflicts of Interest - *Ngākau kōnatunatu*

Members are reminded of the need to stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interests they might have. Elected Members are also reminded to update their register of interests when changes occur.

The register of interest can be viewed on the Council website.

1. Financial Conflict

- Members present must declare any direct or indirect financial interest that they hold in any matter being discussed at the meeting, other than an interest that they hold in common with the public.
- Members cannot take part in the discussion, nor can they vote on any matter in which they have a direct or indirect financial interest, unless with an approved exception.
- Members with a financial interest should physically withdraw themselves from the table. If the meeting is public excluded, members should leave the room.

2. Non-Financial Conflict

- If a member considers that they have a non-financial conflict of interest in a matter they must not take part in the discussions about that matter or any subsequent vote.
- Members with a non-financial interest must leave the table when the matter is considered but are not required to leave the room.

6 Public Participation - *Wānanga Tūmatanui*

6.1 Public Forum - *Wānanga Tūmatanui*

The Council has set aside time for members of the public to speak in the public forum at the commencement of each meeting. Each speaker during the forum may speak for five minutes. Permission of the Chairperson is required for any person wishing to speak during the public forum.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by a speaker.

6.2 Deputations - *Ngā Whakapuaki Whaitake*

A deputation enables a person, group or organisation to make a presentation to Community Board on a matter or matters covered by their terms of reference. Deputations should be approved by the Chairperson, or an official with delegated authority, five working days before the meeting. Deputations may be heard at the commencement of the meeting or at the time that the relevant agenda item is being considered. No more than two speakers can speak on behalf of an organisation's deputation. Speakers can speak for up to 5 minutes, or with the permission of the Chairperson, a longer timeframe may be allocated.

With the permission of the Chairperson, Elected members may ask questions of speakers. Questions are to be confined to obtaining information or clarification on matters raised by the deputation.

7 Confirmation of Minutes - *Te whakaaetanga o ngā meneti o te hui*

Confirmation of Council Meeting Minutes

The minutes from the Council meeting meetings listed below can be viewed via the Council website. Click on the corresponding link below in order to access the 'unconfirmed minutes'.

- Unconfirmed Extraordinary Council Meeting Minutes - 9 April 2025
- Unconfirmed Ordinary Council Meeting - 26 June 2025

8 Standing and Joint Committee Recommendations to Council - *Te tohutohu a te Komiti*

8.1 Receive Standing Committee Minutes

The minutes from the Whakatane District Council 'Standing Committee' meetings can be viewed via the Council website. Click on the appropriate link below in order to access the 'unconfirmed minutes'.

Recommendation

THAT the minutes from the following Whakatane District Council Standing Committees be received:

- Finance and Performance Committee meeting - 15 May 2025
- Chief Executive Performance and Support Committee meeting - 20 May 2025
- Risk and Assurance Committee Meeting - 12 June 2025
- Living Together Committee - 19 June 2025
- Infrastructure and Planning Committee - 24 July 2025

8.2 Recommendation to Council - Approval of Discretionary Speed Limit Changes

WHAKATĀNE District Council Kia Whakatāne au i ahau	Title of Item:	**APPROVAL OF DISCRETIONARY SPEED LIMIT CHANGES**
	Committee:	**INFRASTRUCTURE AND PLANNING COMMITTEE**
	Meeting Date:	**THURSDAY, 24 JULY 2025**
	Recommendation to Council Meeting:	**THURSDAY, 14 AUGUST 2025**

8. REPORTS

8.5 Approval of Discretionary Speed Limit Changes

Refer to pages 118-171 of the agenda.

The Manager of Transportation and the Team Leader Transport and Assets both presented the report and the following points were noted:

- Public opposition to the proposed changes was noted, alongside the staff recommendation to proceed.
- The current speed limit for Site 18 (Ōhope Road) had been incorrectly recorded; it was clarified that the existing speed limit was 80 km/h, with a proposed reduction to 60 km/h.
- Further information regarding variable speed limits outside schools would be brought to a future Infrastructure and Planning Committee meeting.

Moved Mayor Luca / Seconded Councillor Dennis

RESOLVED:

1. THAT the Infrastructure and Planning Committee **receives** the report 'Approval of Discretionary Speed Limit Changes'; and
2. THAT the Infrastructure and Planning Committee **notes** that installation of new variable school speed limits will be installed by 1 July 2026, as required by legislation, and funded from within existing budgets; and
3. THAT the Infrastructure and Planning Committee **notes** that speed limits are to be reviewed on a three-yearly basis to remain relevant.

CARRIED

Councillor O'Brien requested his vote against the motion be recorded.

Moved Councillor Dennis / Seconded Councillor O'Brien

RESOLVED:

THAT the Infrastructure and Planning Committee recommends to the Council to adopt the proposed speed limit reductions for sites 1-16 and 18-19 (as below):

8.2 Recommendation to Council - Approval of Discretionary Speed Limit Changes(Cont.)

Site #	Site Name	Location	Length	Speed limit (kph)	
				Current	Proposed
1	Withy Road	Full extent of the road	3056m	100	70
2	Te Teko Road – Urban Area	From Okaahu Road intersection south to existing 50kph area.	325m	100	50
3	Thornton Road - East Bank and West Bank Intersections	Thornton Road, 250m west of West Bank Road to 250m east of East Bank Road	750m	100	70
4	Wainui Road - Tio Oyster	From Tauwhare Pa Scenic Reserve southern carpark exit heading south for 830m	830m	100 (temp 60)	60
5	Thornton Road - SH30 to past Blueberry Corner	From SH30 to the western boundary of 462 Thornton Road	4650m	100	80
6	Shaw Road Subdivision	For the full extent of Shaw Road and adjoining roads, urban area	1000m	100	50
7	Thornton Beach Road (carpark and boat ramp)	From existing speed hump north to the end of the carpark area	570m	50	30
8	West End Road	From Vills Glade to West End Car Park	970m	50	30
9	Galatea Road - Waiohau	Current 80/100 speed boundaries	1970m	80	60
10	Pukehou Road – Waiōhau	Full extent of road	2900m	80	60
11	Papanui Road – Waiōhau	Full extent of road	1500m	80	60
12	Tawhia Road – Waiōhau	Full extent of road	1400m	80	60
13	Galatea Road - Matahina Dam	Top of Matahina Dam	2450m	100	80
14	Rototaha Road - Matahina Dam	Full extent of road	700m	100	80
15	Reid Road	From Awahou Road to 500m south of Awahou Road	500m	70	100
16	Airport - Tassel Drive	445 m east of end of road	445m	60	30

8.2 Recommendation to Council - Approval of Discretionary Speed Limit Changes(Cont.)

Site #	Site Name	Location	Length	Speed limit (kph)	
				Current	Proposed
17	Valley Road	Commerce Street to Taneatua Road (full extent)	2500m	70	50
18	Ōhope Road	From Ōtarawairere Road to Pohutukawa Ave	1300m	80 (temp 60)	60
19	Te Teko Road - Te Teko to Edgecumbe	From Okaahu Road to Main Road	5800m	100	80

Members debated and approved the proposed speed limit changes for various roads, considering public consultation results and safety concerns.

CARRIED

Mayor Luca requested his vote against the motion be recorded.

8.3 Recommendation to Council - Approval for Sale of Lot and Irrigation Bore Asset at Paul Road

WHAKATĀNE District Council *Kia Whakatāne au i ahau*	Title of Item:	**APPROVAL FOR SALE OF LOT AND IRRIGATION BORE ASSET AT PAUL ROAD**
	Committee:	**INFRASTRUCTURE AND PLANNING COMMITTEE**
	Meeting Date:	**THURSDAY, 24 JULY 2025**
	Recommendation to Council Meeting:	**THURSDAY, 14 AUGUST 2025**

8. REPORTS

8.4 Approval for Sale of Lot and Irrigation Bore Asset at Paul Road

Refer to pages 109-117 of the agenda.

Manager of Three Waters presented the report and highlighted the intent of the sale of the irrigation bore is to remove liability and risk from Council due to its condition. The sale is subject to resource consent application being granted to create Lot 1 with easements decided by an independent commissioner.

Moved Councillor Boynton / Seconded Councillor Jukes

RESOLVED:

1. THAT the 'Approval for Sale of Irrigation Bore Asset and Lot at Paul Road' report be **received**; and
2. **THAT the Infrastructure and Planning Committee recommend the Council approve the sale of Lot 1 (containing the irrigation bore), being a subdivision of Lot 1 DP 464274 at 122A Paul Road, Awakeri, as shown on Plan 1575-SC01 from 360 surveying to Paul Road Water Limited for the sum of $1; and**
3. **THAT the Infrastructure and Planning Committee recommend the Council authorises the Chief Executive to sign all documents necessary to complete the sale of Lot 1;** and
4. THAT the Infrastructure and Planning Committee **notes** the sale is subject to a resource consent application being granted to create Lot 1 (with easements) decided by an Independent Commissioner.

CARRIED

8.4 Recommendation to Council - Whakatane Airport Statement of Intent 2024 - 2027

WHAKATĀNE District Council *Kia Whakatāne au i ahau*	Title of Item:	**WHAKATĀNE AIRPORT STATEMENT OF INTENT (SOI) 2024 - 2027**
	Committee:	**INFRASTRUCTURE AND PLANNING COMMITTEE**
	Meeting Date:	**THURSDAY, 24 JULY 2025**
	Recommendation to Council Meeting:	**THURSDAY, 14 AUGUST 2025**

8. REPORTS

8.1 Whakatāne Airport Statement of Intent (SOI) 2024 - 2027

Refer to pages 11-29 of the agenda.

Attendance: Councillor James joined the meeting at 9:05 am.

Manager Ports and Airport Chief Executive presented the report and noted that the OPEX expenditure for 2023/2024 (referenced in section 7 of appendix 1) would be updated before being presented for final adoption for Council.

The following adjustments were requested for inclusion within SOI document:

- Graphics be updated with photographs relevant to the airport.
- The narrative relating to sustainability (page six) be expanded to reflect that the airport is working to gain financial sustainability.
- Korero be included to emphasise the relationship iwi and hapū have with the whenua and the commitment Council must further deepen these relationships.

Moved Councillor Boynton / Seconded Councillor Jukes

RESOLVED:

1. THAT the Whakatāne Airport Draft Statement of Intent for the period 1 July 2024 to 30 June 2027 report be **received;** and
2. **THAT the Infrastructure and Planning Committee recommends that Council approve the attached Whakatāne Airport Draft Statement of Intent for the period 1 July 2024 to 30 June 2027; subject to adjustments agreed at the meeting.**

CARRIED

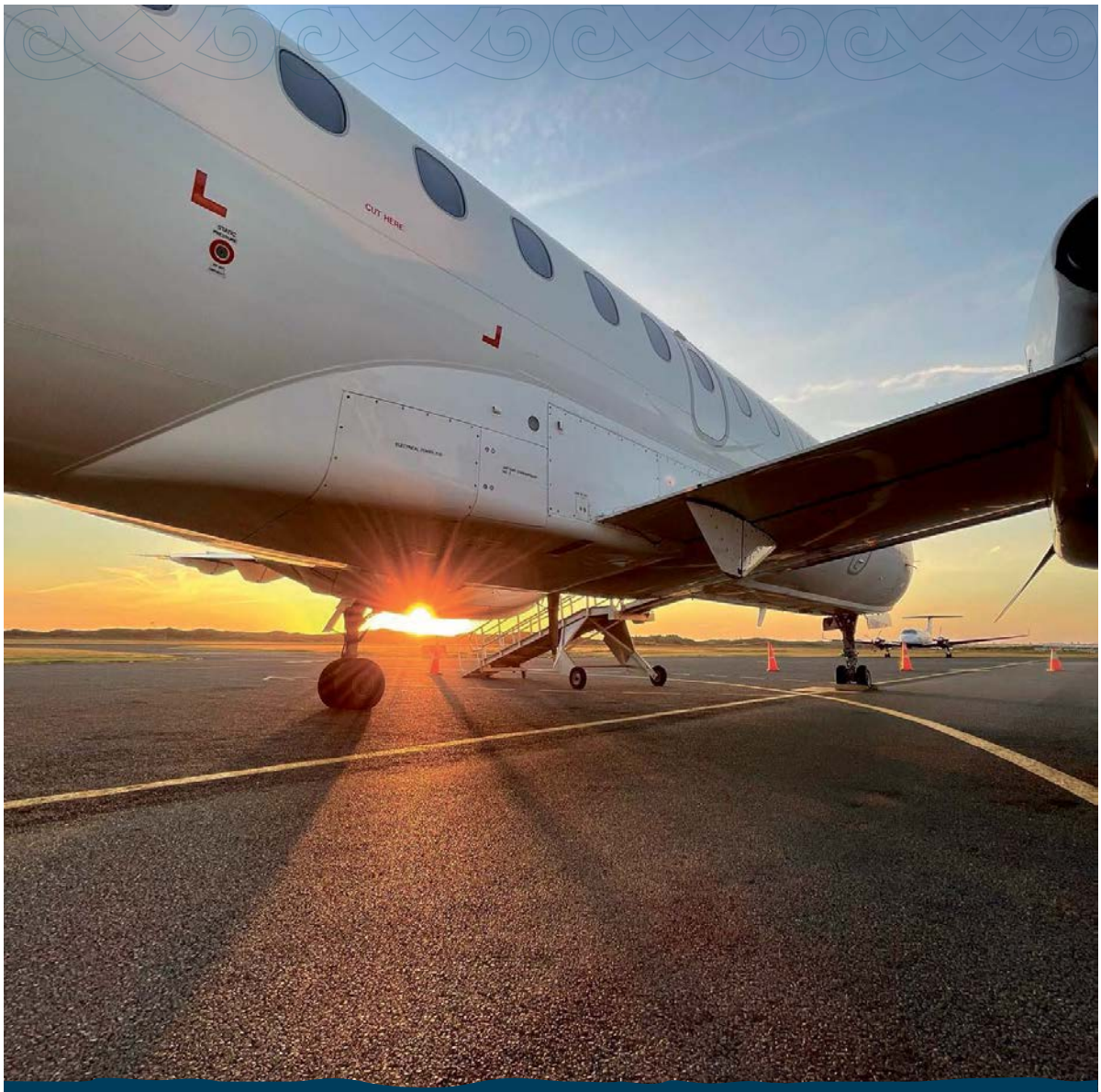
Next steps

- Final SOI forwarded to the MOT for their records.
- Final SOI included in the airport document and on the Council's website(s).

Attached to this recommendation:

- Appendix A - Whakatāne Airport Statement of Intent 2024-27

8.4.1 Appendix A - Whakatāne Airport Statement of Intent 2024-27



Whakatāne Airport Statement of Intent 2024-27

Te Whakapuakanga Takune o te Papa Rererangi o Whakatāne 2024-27

WHAKATĀNE District Council
Kia Whakatāne au i ahau

8.4.1 Appendix A - Whakatāne Airport Statement of Intent 2024-27(Cont.)

Contents
Rārangi upoko

Our airport: where heritage takes flight

Introduction
Kupu Arataki

The Whakatāne Airport is a Council Controlled Organisation (CCO) under the Local Government Act 2002. It was formed as a CCO in 2006. The Whakatāne Airport is a valued community asset, which contributes to residents' quality of life and is considered crucial to the economic well-being of the Whakatāne District and wider Eastern Bay. It provides an important transportation link for all communities across the Eastern Bay of Plenty to other parts of the country.

This Statement of Intent is submitted by Whakatāne District Council in accordance with section 35 of the Local Government Act 2002. It sets the overall intentions and objectives of the Joint Venture for the period 1 July 2024 to 30 June 2027.

Planning for an aerodrome at Whakatāne was initiated by the Whakatāne County and Borough Council's in 1944, however, it was not officially opened until 1960. A sealed airstrip was completed a few years later in 1962 to provide adequate services for the larger DC3 aircraft.

The Airport is currently operated under a Joint Venture Agreement which was established between Whakatāne District Council and the New Zealand Government under the Airport Authorities Act (1966). The Joint Venture is deemed to be a company under the Income Tax Act (2004).

Air Chathams is the commercial flight service provider for the Whakatāne Airport, and they provide regular daily return services to and from Auckland. The Airport operations are managed under a service delivery contract with JNP Aviation Services Ltd.

Our passenger demand is recovering from the effects of the Whakaari/White Island eruption and COVID-19 which occurred in 2019 and 2020 respectively. Within this Statement of Intent (SOI) period, we are focused on the implementation of the Whakatāne Airport Master Plan 2024 and relevant workstreams.

1. OBJECTIVES

Whakatāne District Council has completed the Whakatāne Airport Master Plan 2024. This is the culmination of two and a half years of work and replaces the previous Master Plan which was adopted by Council in 2013.

Within the Airport Master Plan 2024, a strategic plan and relevant workstreams are outlined, these form the objectives and general strategic direction for the Whakatāne Airport out until 2033.

2. GOVERNANCE

The Joint Venture parties have different responsibilities for the governance of Whakatāne Airport. Council manages the day-to-day operation of the airport. The Crown has an ownership interest, a monitoring role, and shares pre-approved commercial and capital costs associated with the Airport. We acknowledge Ngāi Taiwhakaea and Ngāti Awa and their customary relationship to the whenua of Whakatāne Airport and are committed to further enriching our partnership with Ngāi Taiwhakaea, Ngāti Awa and other local hapū over the coming years.

3. NATURE AND SCOPE OF ACTIVITIES

The airport provides a range of services, both aeronautical and non-aeronautical. Aeronautical services are those that directly assist in the take-off and landing of aircraft. Non-aeronautical are all other activities.

3.1 Aeronautical services

Primarily these relate to physical assets and ensuring our services are safe and fit-for-purpose.

Runways, taxiways and aprons

Runways, taxiways and aprons are up to standard and meet the take-off and landing requirements of all commercial and recreational operators.

In June 2024 (FY24) the Abbreviated Precision Approach Path Indicator (A-PAPI) was upgraded to a full PAPI system.

This work was undertaken to enhance safety by improving glide slope integrity for aircraft using the sealed runway.

Grass runway

The existing grass runway is expected to meet the current and future needs of both resident and visiting light fixed wing aircraft (which are also capable of using the sealed runway). The sealed and grass runways do not have the required separation to permit simultaneous operations.

Aircraft parking

The sealed apron space is directly in front of the terminal and is used primarily by scheduled services. The apron can accommodate two aircraft the size of a Saab 340. Informal picketing is also available for light aircraft on the grassed area adjacent and to the west of the apron. Floodlighting is provided on the terminal apron.

Approach services

There is a range of runway infrastructure in place providing approach guidance. This includes runway perimeter lights, windsocks, emergency power supply, Pilot Activated Lighting system (PAL), and Precision Approach Path Indicator (PAPI) lights. Runway perimeter lights, apron and holding point lights were upgraded in 2018.

Fuel services

There are adequate storage facilities for both Avgas (aviation gasoline) and Jet-A1 fuel provided by BP Oil NZ Ltd and Airfuels Ltd.

3.2 Non-aeronautical services

Non-aeronautical services are services that support activities on the aerodrome.

Terminal facilities

The terminal building has an existing ground floor area of 249 m^2. There is provision for airline check-in facilities, café and passenger waiting areas. Additional CCTV cameras were installed in 2024 to improve both on-site security and operational efficiencies.

In May 2019 Pouhere Taonga, Heritage NZ added the terminal building to the New Zealand Heritage List Rārangi Kōrero as a category 1 historic place. Longer term there is a requirement for a larger, more modern, efficient, fit-for-purpose terminal building to be provided. This is outlined in the Airport Master Plan 2024.

Lease of airport land and buildings

Land surplus to requirements is currently leased for grazing. Possible future land use is outlined in the Airport Master Plan 2024 and includes aeronautical and non-aeronautical opportunities.

Car parking services

A large car park is available and free of charge for people to use. There are approximately 80 spaces available including two spaces for rental vehicles. Pay for parking in the future is being considered.

4. RATIO OF JOINT VENTURE PARTIES FUNDS TO TOTAL ASSETS

- For the year ended 30 June 2024, consolidated shareholders' funds as a ratio to total assets was 0.90.
- Per the JV's draft Annual Report 2024, consolidated funds were $4.56 million and total assets were $5.10 million.
- The consolidated funds include Capital, Reserve Funds and Current Accounts.
- The minimum equity ratio to total assets will not be less than 0.5 therefore ensuring the airport authority remains financially viable, unless with agreement by the JV partners and the Council.

5. ACCOUNTING POLICIES

The Statement of Accounting Policies adopted in the preparation of the financial report is attached in Appendix 1.

6. PERFORMANCE TARGETS

6.1 Financial performance measures and targets

Operate and maintain the airport's assets within the following operational expenditure and capital expenditure budgets (excluding corporate overheads and depreciation).

Financial performance measures and targets provided are based on the flight services at the time of preparing the Statement of Intent.

OPERATIONAL EXPENDITURE	2023/24	2024/25	2025/26	2026/27
OPEX	**SOI**	**LTP (2024-34)**	**LTP (2024-34)**	**LTP (2024-34)**
Income (excluding interest and general rates)	160,537	228,499	233,069	238,430
Expenditure (excluding corporate overheads and depreciation)	762,920	885,581	777,896	796,710
Depreciation	120,013	121,063	138,798	144,266
Surplus (Deficit)	**(722,396)**	**(778,145)**	**(683,625)**	**(701,546)**

Operating costs for the airport have increased in recent years due to Civil Aviation Authority (CAA) requirements to implement a safety management system, resulting in an increase in contract costs for operational management.

The RESA works have also reduced the area of land available for leasing, reducing lease income.

CAPITAL EXPENDITURE	2023/24	2024/25	2025/26	2026/27
	SOI	**LTP (2024-34)**	**LTP (2024-34)**	**LTP (2024-34)**
Airport Land Redevelopment	1,199,898	350,033	499,881	-
Hardstand Upgrade	59,826	-	-	-
Airport Fencing Renewals	15,167	80,108	81,710	83,589
CCTV Upgrade	74,994	71,296	-	-
Runway Lighting Navigation Upgrade	-	348,130	-	-
Runway Renewals	-	92,456	18,675	85,542
Replacement of Windsock	-	53,405	-	-
Terminal Renewals	-	6,676	6,809	6,966
Total	**1,349,885**	**1,202,870**	**607,074**	**176,097**

7. SUSTAINABILITY

The Whakatāne Airport is a key piece of infrastructure for ensuring the well-being and resilience of the Whakatāne District and Eastern Bay of Plenty. As such, the Council strives to manage the Airport in alignment with our climate change framework. This includes our Climate Change Principles, as well as our recently adopted Climate Change Pathway.

In addition, we strive for economic sustainability guided by the three Strategic Goals outlined in the Airport Master Plan 2024. They are:

- Maintain and develop airport infrastructure to continue to improve airport safety and useability.
- Grow airport vibrancy by encouraging growth and development of new aeronautical and non-aeronautical activity. And;
- Using sound financial practices to improve the airports financial performance.

8. DISTRIBUTIONS TO JOINT VENTURE PARTIES

Assumptions will be made annually to reserves to provide for future renewals and upgrading of facilities.

Annual surpluses or deficits will be transferred to a current account. The current account will have an appropriate minimum amount specified to cover short-term operating deficits. If the current account balance exceeds the amount necessary to cover short to medium term operating deficits, the joint parties will consider whether a distribution of some of the surplus is warranted. Any distribution to the Joint Venture parties would be in proportion to the respective equity holdings.

9. INFORMATION TO BE SUPPLIED

The following reports will be supplied to the Joint Venture parties within two months after the end of the first half of each financial year (28 February) and within three months of the end of each financial year (30 September):

- Statement of Comprehensive Income
- Statement of Financial Position
- Statement of Performance Compared to Targets
- Other statements as may be required by legislation or to comply with Generally Accepted Accounting Practice (GAAP)

10. PROCEDURE FOR ACQUISITION OR SALE OF SHARES AND PROPERTY

Before the Joint Venture subscribes for, purchases or acquires shares in any other company, or acquires any interest in any business or property whatsoever, the Joint Venture shall give at least 21 days' notice to the Council and, in turn, the Crown, of such proposals prior to the Joint Venture deciding whether or not to proceed.

The Joint Venture will not proceed to purchase without an ordinary resolution first being completed by the Council and approval from Ministry of Transport (on behalf of the Crown).

11. COMPENSATION

Other than normal business transactions provided to the Council there are no activities for which the Joint Venture will be seeking compensation from any local authority.

12. OTHER MATTERS

- The Joint Venture operates in accordance with the Joint Venture agreement at all times.
- An asset assessment was completed in October 2020 and forms the basis of the current Asset Management Plan for the next 10 years.

Statement of Accounting Policies

Ngā Whakapuakanga Kaupapa here Pūtea

13. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below.

14. REPORTING ENTITY

The financial statements are for Whakatāne Airport, which is a 50:50 joint equity venture between the Council and the Crown.

The primary objective of Whakatāne Airport is to provide goods or services for the community or social benefit rather than making a financial return. Accordingly, the Whakatāne Airport has designated itself as a public benefit entity.

15. BASIS OF PREPARATION

Whakatāne Airport has adopted accounting practices that comply with NZ IFRS, the requirements of the Local Government Act (LGA) and Financial Reporting Act 1993.

As a Public Sector Public Benefit Entity (PS PBE), Whakatāne Airport has elected to report using International Public Sector Accounting Standards for Public Benefit Entities under Tier 3 PBE Standards.

The financial statements have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP) for reporting earnings and financial position.

Whakatāne Airport has taken advantage of certain exemptions available under NZ IFRS.

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest dollar. Some rounding variances may occur in the Finance Statements due to the use of decimal places in the underlying financial data. The functional currency of Whakatāne Airport is New Zealand dollars.

16. STATUTORY BASE

Whakatāne Airport is a Council Controlled Organisation (CCO) registered under the Local Government Act 2002. This Act requires compliance with New Zealand Generally Accepted Accounting Practice (GAAP). The financial statements have been prepared in accordance with the requirements of the Local Government Act 2002.

17. DIFFERENTIAL REPORTING

The Whakatāne Airport is a qualifying entity within the Framework of Differential Reporting. The airport is able to apply differential reporting exemptions as it meets the criteria of a differential entity because:

(a) the airport is not publicly accountable.

(b) the airport is not large.

All differential reporting exemptions have been taken advantage of.

18. HISTORICAL COST CONVENTION

These financial statements have been prepared under the historical cost convention. The Council will continue to provide the necessary support to enable the Whakatāne Airport Joint Venture to pay its liabilities as they fall due, including providing funds through the District Fund Account.

19. CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying Whakatāne Airport's accounting policies.

No material estimates were required this accounting period.

20. REVENUE RECOGNITION

Revenue comprises the fair value for the sale of goods and services, net of rebates and discounts. All revenue is recognised when earned.

21. RENTAL REVENUE

Rental revenue is recognised in the period that it relates to.

22. INTEREST INCOME

Interest income is recognised on a time-proportion basis using the effective interest method.

23. INCOME TAX

The Income Tax expense is calculated using the taxes payable method. As a result, no allowance is made for deferred tax. Tax expense includes the current tax liability and adjustments to prior year tax liabilities.

24. GOODS AND SERVICES TAX (GST)

All items in the financial statements are stated exclusive of GST. Commitments and contingencies are disclosed exclusive of GST.

25. LEASES

Assets leased to third parties under operating leases are included in property, plant and equipment in the Statement of Financial Position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

26. IMPAIRMENT OF ASSETS

Items of property, plant and equipment, and intangible assets with finite useful lives are reviewed at each balance date to determine whether there is any indication that the asset might be impaired. Where such an indication exists, the asset is tested for impairment by comparing its carrying value to its recoverable amount. Intangible assets with indefinite useful lives, intangible assets not yet available for use, and goodwill are tested for impairment annually. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. Where the future economic benefits of the asset are not primarily dependent on its ability to generate net cash inflows, and where Whakatāne Airport would, if deprived of the asset, replace its remaining future economic benefits, value in use is determined as the depreciated replacement cost of the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

27. CURRENT ACCOUNT

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position. Investments held are recorded at cost price. The bank account is held by Whakatāne District Council as part of its General Funds.

28. RECEIVABLES

Receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful receivables is established when there is objective evidence that Whakatāne Airport will not be able to collect all amounts due according to the original terms of receivables.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the Statement of Comprehensive Income.

29. INVESTMENTS AND OTHER FINANCIAL ASSETS

29.1 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when Whakatāne Airport provides money, goods, or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance date, which are classified as non-current assets.

29.2 Property, plant and equipment

Property, plant and equipment consist of operational assets, which include land, buildings, plant & equipment and furniture & fittings. Items of property, plant and equipment are initially recognised at cost, which includes purchase price plus directly attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue.

All property, plant and equipment is shown at cost less depreciation and impairment costs. Cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to Whakatāne Airport and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

The expected lives, in years, of major classes of fixed assets are as follows:

OPERATIONAL ASSETS:	YEARS	METHOD
Airport Runways, Taxiways and Apron	50	Straight line
Building	40 - 100	Straight line
Water Supply	75 - 100	Straight line
Plant and Equipment	2 - 10	Diminishing value
Furniture and Fittings	5	Diminishing value
Fence	10 - 20	Diminishing value
Terminal site development	70	Straight line
Signage	10 - 20	Straight line
Lighting (runway and other)	5 - 10	Diminishing value
Paths and parking	25 - 50	Straight line
Automatic sliding doors	5 - 10	Diminishing value
Electronic security systems	5 - 10	Diminishing value

The airport land is vested in the Council under the Reserves Act 1997 for use as an airport. The airport holds the land "in substance" and is shown at the value at the date of vesting. Land is not depreciated.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

Assets under construction are not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income.

30. INTANGIBLE ASSETS

Acquired computer software and software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three to 10 years.

31. TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to Whakatāne Airport prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

Appendix one
Kupu āpiti tahi

SCHEDULE 35 LOCAL GOVERNMENT ACT 2002

STATEMENTS OF INTENT FOR COUNCIL CONTROLLED ORGANISATIONS

1. Purpose of statement of intent

The purpose of a statement of intent is to-

(a) state publicly the activities and intentions of a Council Controlled Organisation for the year and the objectives to which those activities will contribute; and

(b) provide an opportunity for shareholders to influence the direction of the organisation; and

(c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

2. Statements of intent for Council Controlled Organisations

The board of a Council Controlled Organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

Compare: 1974 No 66 s 594S

3. Completion of statements of intent

The board must-

(a) consider any comments on the draft statement of intent that are made to it within two months of 1 March by the shareholders or by any of them; and

(b) deliver the completed statement of intent to the shareholders on or before 30 June each year.

Compare: 1974 No 66 s 594U

4. Modifications of statements by intent by board

The board may, by written notice, modify a statement of intent at any time if the board has first -

(a) given written notice to the shareholders of the proposed modification; and

(b) considered any comments made on the proposed modification by the shareholders or by any of them within-

(i) 1 month after date on which the notice under paragraph (a) was given; or

(ii) any shorter period that the shareholders may agree.

Compare: 1974 No 66 s 594V(1)

5. Modifications of statements of intent by resolution of shareholders

(1) Despite any other provision of the Act or of the constitution of any Council Controlled Organisation, the shareholders of a Council Controlled Organisation may, by resolution, require the board to modify the statement of intent by including or omitting any provision or provisions of the kind referred to in clause 9(1)(a) to (i), and any board to whom notice of the resolution is given must comply with the resolution.

(2) Before giving noticed of the resolution to the board, the shareholders must consult the board concerned as to the matters to be referred to in the notice.

Compare: 1974 No 66 s 594V(2)

6. Statement of intent required if exemption granted under section 7 revoked

If an exemption granted under section 7 is revoked, the Council Controlled Organisation must-

(a) if there is more than six months remaining in the financial year, prepare a statement of intent for the following financial year.

(b) if there is not more than six months remaining in the financial year, prepare a statement of intent for the following financial year.

7. Obligation to make statements of intent available

A completed statement of intent and each modification that is adopted to a statement of intent must be made available to the public by the board within one month after the date on which it is delivered to the shareholders or adopted, as the case may be.

Compare: 1974 No 66 s 594W

8. Savings of certain transactions

A failure by a Council Controlled Organisation to comply with any provision of this schedule or with any provision in a statement of intent does not affect the validity or enforceability of any deed, agreement, right, or obligation entered into, obtained, or incurred by that organisation.

Compare: 1974 No 66 s 594Y

9. Contents of statements of intent

(1) Statement of intent must, to the extent that is appropriate given the organisational form of the Council Controlled Organisation, specify for the group comprising the Council Controlled Organisation and its subsidiaries (if any), and in respect of the financial year immediately following the financial year in which it is required by clause 3(b) to be delivered and each of the immediately following two financial years, the following information:

(a) Objectives of the group; and

(b) a statement of the board's approach to the governance of the group; and

(c) the nature and scope of the activities to be undertaken by the group; and

(d) the ratio of consolidated shareholders' funds to total assets, and the definition of those terms; and

(e) the accounting policies of the group; and

(f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and

(g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and

(h) the kind of information to be provided to the shareholders by the group during those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and

(i) the procedures to be followed before any member or the group subscribers for, purchases, or otherwise acquires shares in any company or other organisation; and

(j) any activities for which the board seeks compensation from any local authority (whether or not the local authority has agreed to provide the compensation); and

(k) the board's estimate of the commercial value of the shareholders' investment in the group and the way, and the times at which, that value is to be reassessed; and

(l) any other matters that are agreed by the shareholders and the board.

(2) If a Council Controlled Organisation undertakes to obtain or has obtained compensation from it shareholders in respect of any activity, this undertaking or the amount of compensation must be recorded in -

(a) the annual report of the Council Controlled Organisation; and

(b) the annual report of the local authority.

(3) Any financial information, including (but not limited to) forecast financial information, must be prepared in accordance with generally accepted accounting practice.

Compare: 1974 No 66 s 594T

10. Additional content of statements of intent

(1) This clause applies to Council Controlled Organisations that provide services in relation to the following groups of activities:

(a) water supply;

(b) sewerage and the treatment and disposal of sewage:

(c) stormwater drainage;

(d) flood protection and control works:

(e) the provision of roads and footpaths.

(2) The council-controlled statement of intent must, in relation to each group of activities described in subclause (1), include a statement of the intended levels of service provision that complies with clause 4(a) and (c) of Schedule 10 as if-

(a) the reference to a long-term plan were a reference to the statement of intent; and

(b) the reference to a local authority were a reference to a Council Controlled Organisation.

WHAKATĀNE DISTRICT COUNCIL
14 Commerce Street, Private Bag 1002,
Whakatāne 3158, New Zealand
P 07 306 0500

MURUPARA SERVICE CENTRE
Civic Square, Pine Drive,
Murupara, New Zealand
P 07 366 5896

info@whakatane.govt.nz
whakatane.govt.nz

whakatanedistrictcouncil
whakatane-district-council
whkdc

WHAKATĀNE
District Council
Kia Whakatāne au i ahau

9 Mayoral Reports - *Ngā Pūrongo a te Koromatua*

9.1 Mayoral Report – August 2025

To:	**Whakatāne District Council**
Meeting Date:	**Thursday, 14 August 2025**
Author:	**Dr V. Luca /Mayor - Koromatua**
Reference:	**A2938532**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of the report is to provide updated information on the Mayor's activities together with any advice and strategic insights thought to be relevant to Council matters. The report covers the period 19 June 2025 to 8 August 2025. Note that the first two weeks of July were a recess period for Councillors.

This will be the 16th and final Mayoral report for the 2022-2025 triennium.

2. Recommendation - *Tohutohu akiaki*

THAT the Mayoral Report – August 2025 be **received**.

3. Background - *He tirohanga whakamuri*

The triennium has been characterised by economic and geopolitical instability and uncertainty the likes of which I have never seen in my lifetime. Two proxy wars in the Ukraine and the Middle East continue unabated and show significant potential for escalation. A genocide is ongoing in the Middle East.

The world is transitioning from a unipolar to a multipolar state. In addition to prosecuting two proxy wars, America is prosecuting a trade war that can have significant ramifications for the New Zealand economy. Although NZ is part of the five-eyes intelligence alliance we have just been hit with 15% tariffs for NZ goods entering the US (see here). We in NZ are among 140 countries for which China is the major trading partner. The US clearly has China in its sights and is playing wedge politics '*you're either with us or against us*'. This presents a delicate balancing act for New Zealand.

Many pundits think we are already in WWIII. For now, oil choke-points remain open. There is significant risk that the oil could stop flowing and NZ is very vulnerable since we do not have energy security.

The triennium commenced with record inflation which peaked in Q3 of 2022 and subsequently eased through monetary tightening by the Reserve Bank of New Zealand (RBNZ). The Bank said it would engineer a recession and it did. Although inflation reduced after the peak, it needs to be emphasised that prices do not fall, they simply continue to increase at a slower rate.

The initial inflation pulse has taken time to wash through the system and this has represented a challenge for councils up and down the motu. The RBNZ has successfully killed inflation at the expense of economic activity. Local business activity appears to be a mixed bag. Cost of living challenges continue for many New Zealanders.

New Zealand is experiencing negative net migration and unemployment has ticked up. New Zealand productivity continues to decline. The current Government seems committed to austerity as the policy response.

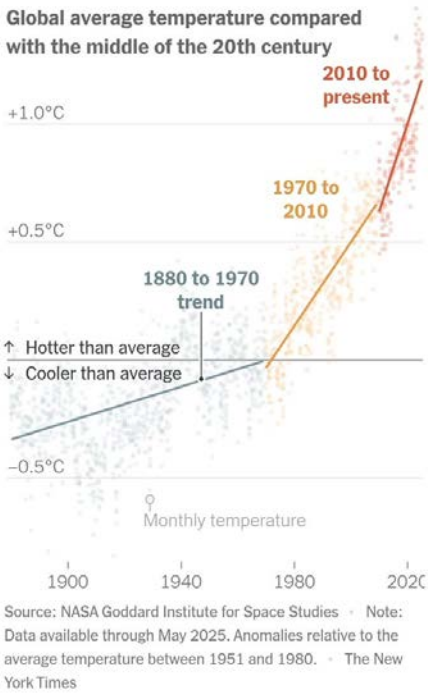
New Zealand's infrastructure deficit is worsening and councils are becoming extremely challenged trying to balance affordability with increasing costs in delivering infrastructure. It is clear to me that decades of flawed central Government policy has led us to this point.

It is my view that the country can't continue pumping the growth peddle and encouraging immigration if we can't keep up with infrastructure roll-out. This leads to the current Government's '*growth should pay for growth stance*'. The primary policy tool for realising this growth-pays-for-growth strategy is a developer's levy. Although the expression may sound good, success will rely on implementation.

Given the geopolitical situation dominated by uncertainty and instability I would continue to counsel living within our means.

Climate change is accelerating. Strong evidence suggests that the polar regions are warming at four times the rate of middle latitudes and scientific evidence suggests acceleration of warming.

The figure below highlights this acceleration in a relatively dramatic manner.



At the time of writing this report, the long awaited Climate Change Risk Assessment was due to be presented as part of the '*Building Resilience: Whakatāne District Climate Change Risk Assessment*' report going up to the Environment, Energy and Resilience Committee meeting of Thursday, 7 August. The report represents a major milestone for Council.

This report is built on the Intergovernmental Panel on Climate Change (IPCC) scenarios (Representative Concentration Pathway, RCP) which make assumptions about warming. The RCPs are projections of how greenhouse gas concentrations in the atmosphere will change over time due to human activities. Which of the paths followed (RCP 2.6 – 8.5) depends on the assumptions of the warming rate.

We live in dangerous times.

4. Subjects – *Kaupapa*

4.1. GNS meeting (Thursday, 19 June 2025)

This was a meeting to consider progress toward Whakaari monitoring. On 1 April 2024 I sent a letter to Minister Mark Mitchell (Minister for Emergency Management and Recovery) regarding this serious issue and was given assurances that the matter was in hand and being taken very seriously. Thus far on-island monitoring has not been restored.

4.2. First Whakatāne Health Equity and Advocacy Group (WHEAG) meeting (Monday, 23 June 2025)

We had the first meeting of the WHEAG that was supported by council resolution on 8 May 2025. The first meeting was introduction and orientation. See Appendix A for the current composition of the group.

One area of consensus was that the group should take a regional view and include other Eastern Bay councils, rather than being Whakatāne focused. In fact, this was always the intention given that Whakatāne hospital serves all three districts.

The group will seek to get buy-in through iwi and other channels.

There was a strong view in the meeting that collaboration is important and that there is a need to be strategic.

Despite my expressing the view that I intended to fade into the background, the group insisted that I continue as chair.

4.3. Pohiri and meeting with the Governor General (Friday, 27 June 2025)

Thanks to Ngāti Awa for hosting the visit by the Governor General Dame Lucinda Kiro. I had only ever previously seen her on a video at Citizenship ceremonies. I learned that it's usual for a Governor General to visit each council in the country once within a triennium.

Together with a number of elected members and the CE Steven Perdia, I passed a pleasant few hours with the Governor General Lucinda Kiro and her husband Dr Richard Davies at the pohiri held at Te Mānuka Tūtahi.

In the evening all elected members were invited to a dinner where there was an opportunity to converse with both Dame Cindy and husband Richard who is a GP and a former member of the Falkland Islands Legislative Council.

Once again, thank you to the team at Government House, Ngāti Awa and WDC staff involved in facilitating this event.

4.4. Meeting with BECA and Concept (Monday, 14 July 2025)

Consultants BECA and Concept were asked to provide a preliminary feasibility study on a solar development on Council owned land at Whakatāne Airport. This feasibility study was an action of the Whakatāne Airport Masterplan 2024. The study considered a small (5MW) and large (>100MW) farm.

The meeting was to discuss the feasibility study. Derek Caudwell from Trust Horizon was present as a local expert in solar matters. The feasibility study incorporates rather pessimistic assumptions which were challenged. The conclusion of the meeting suggests that a solar farm smaller than 5MW might still be feasible since there would be no need to upgrade electrical infrastructure (lines and transformers) from the airport to the nearest grid entry point. However, the current viability based on financials is limited. A critical element in any calculation of financial viability would be the ability to negotiate an advantageous Power Purchase Agreement.

Given that the airport is situated on 150 Ha of land there would be ample area for a large >100MW farm. This was also considered potentially viable due to supposed efficiencies of scale.

However, a farm that size would require significant infrastructure investment. One potentially attractive option might be to simply lease land to a developer and charge a small royalty on the energy generated. That, however, would require interest from developers which probably have other lower-hanging fruit that they can pick from.

In any case, the decision has been made to pause further investigation and reassess the prospect in two years, by which time technology and market conditions may change.

4.5. Mayor’s Taskforce for Water - MTFW (Tuesday, 22 July 2025)

The MTFW was initiated by myself and brought into existence by Council resolution on 1 April 2025. The group comprises mostly folk with strong competencies in the chemical and process engineering fields. Dr Peter Minten and Dr Derek Caudwell are chemical engineers. Suzanne Naylor is a wastewater engineer and Tyrone Newson is a civil engineer. Dr Steve Northrop is a water resource engineer and chemical engineer who has specialised in wastewater. Graeme Weston is the only non-engineer in the group but has a strong technical background. See Appendix B for short biography of group members.

I am very grateful for the participation of these community members that have agreed to give their time and skills for the benefit of our community.

The meeting was the third that the group has had.

Staff who regularly attend these meetings include David Bewley, Glenn Cooper, Jim Finlay and Michael Van Tilburg. The staff have indicated to me that they very much enjoy the engagement.

I am also delighted with the engagement that is occurring.

The first meeting involved introductions and scene setting. The second meeting was held in the Whakatāne three-waters plant where the group was given a tour of the plant followed by discussion of the various district potable water schemes.

The 25 July 2025 meeting addressed Matatā wastewater and the brief was to focus on the potential for adverse health effects. The group was provided all reports and data necessary to come to conclusions. Although I am still compiling the feedback from the group, a strong consensus emerged that there is little risk to human health from bacterial contamination around the Matatā Village.

The data obtained as part of the environmental baseline monitoring programme that WDC has been running clearly shows that there are modest levels of Faecal Indicator Bacteria (FIB) in the three streams (Awatarariki, Waimea and Waitepuru). However, most of the time the levels upstream of the Matatā village are significantly higher than downstream. There seems to be some seasonal dependence with higher upstream FIB counts compared to downstream during the summer months and the inverse during winter.

The early FIB monitoring was initiated in spring of 2021 and clearly showed that most contamination was focused around the Matatā Hotel. That includes the downstream Waimea and the drains that run along the Western boundary of the hotel's drainage field.

What was never revealed to the ESR peer reviewers was that the hotel's OSET (onsite effluent treatment) system was replaced in the latter half of the monitoring programme around May of 2023. Subsequent to that Faecal Source Tracking (FST) shows a clear reduction in human bacterial load down to the Limit of Detection (LOD) or near LOD.

Figure 1. Marker concentrations in copies/100mL for general bacteriodales and human marker HF183 over the monitoring period. Note the log scale.

Figure 1 shows that the general bacterial marker (GenBac) is generally three-orders of magnitude higher in concentration than human markers over the measurement period. This means that animal-derived bacteria are dominant in the Matatā stream and drain environments.

The shortcoming of using FIB counts to infer human source-term are well known and are mainly associated with the non-specific nature of these counts. That is, cultivation and counting methods do not discriminate human from animal contamination. Although FIB counting has traditionally been used to infer the degree of human contamination in a water shed, I consider it dangerous to infer too much from FIB counts. Relatively new PCR (Polymerase Chain Reaction) techniques can nowadays

be used for FST and represent a significant advance. The technique is the same as is used for detecting COVID-19 virus and is now revolutionising Environmental Microbiology. In the case of Matatā the results are clear. After replacement of the Matatā Hotel OSET system, contamination problems have largely disappeared.

Dr Steve Northrop has rightly pointed out that stream ecology is important in determining bacterial populations. Streams running through the urban environment are subject to different nutrient fluxes compared to upstream of the village. For instance, nitrogen (N) and phosphorus (P) can enter streams in the urban zone through fertiliser use and weed spraying. The most common herbicide is Glyphosate which an amino-phosphate compound. Therefore, its use, especially along stream banks will inject N and P into the stream. N and P inputs promote plant growth which provides the sugars that feed bacteria.

Northrop, an expert in wastewater treatment, has pointed out that a properly operating OSET system comprising the tank/s and any associated tertiary treatment, together with associated drainage field can remove 99.99% of e. coli via the action of soil aerobes and worms in unsaturated soil.

According to the US EPA Onsite Wastewater Treatment Systems Manual (2002) [1]. '*The construction and maintenance costs of onsite/decentralized systems can be significantly lower, especially in low-density residential areas, making them an attractive alternative for small towns, suburban developments, remote school and institutional facilities, and rural regions. Onsite/decentralized wastewater treatment systems also avoid potentially large transfers of water from one watershed to another via centralized collection and treatment (USEPA, 1997)*'.

The manual also suggested – and I totally agree - that performance-based management approaches are superior to prescriptive requirements for system design, siting, and operation [1].

More detailed feedback from the MTFW will be presented as a report to Infrastructure and Planning Committee Meeting on 4 September 2025.

The matter of what should be done in the case of densification of the Matatā village or the addition of green-fields development to the east of the village was not in scope for the meeting and therefore was addressed only briefly.

[1] US EPA, Onsite Wastewater Treatment Systems Manual. 2002.

4.6. Citizenship ceremony (Friday, 25 July 2025)

This was the penultimate and largest citizenship ceremony of the triennium to date with 40 residents receiving their NZ citizenship. The emotional atmosphere was palpable.

Date	Recipients
15/11/2022	25
22/02/2023	25
24/05/2023	17
18/08/2023	18
27/10/2023	20

9/02/2024	20
15/03/2024	30
24/05/2024	13
2/08/2024	17
11/10/2024	20
6/12/2024	20
28/02/2025	20
16/05/2025	30
25/07/2025	40

So far this triennium 315 new NZ Citizens have been welcomed to our community.

5. Conclusion

It has been a challenging triennium for all the geopolitical and economic reasons mentioned above and it could well be that we are in a new normal.

We experienced the resignation of CE Steph O'Sullivan in Q2 of 2024 after almost five years in the role. This required council to embark on the rigorous recruitment process that culminated in the appointment of CE Steven Perdia in September 2024. Steve has done an excellent job of bringing to a conclusion certain complex projects that were failing and occupying considerable time and other resources. I wish to express my gratitude to him and his team for this effort.

WDC has now had five CFOs over the course of the two trienniums that I have been on council. I appreciate that staff change roles for many professional and personal reasons. Considering how critical the CFO role is, we seem to have managed these transitions with minimum disruption to the business of Council.

Regardless, of what has passed and the panorama ahead, I am pleased to note that the current council has made all the decisions that it has had to make for the community and that WDC continues to provide critical and other services to the Whakatāne District. Development of the LTP was in my opinion more cumbersome than it needed to be but we got through it.

As the Mayor responsible for leading the development of the LTP under section 41A of the LGA (role and powers of the Mayor), I provided my expectations relatively early in the proceedings (Read the Mayor's Expectations for LTP 2024-2034 »).

Although, I recognise that no leader ever gets everything that they want, in the end democracy carried the day. The development of an LTP is always a negotiation where no one gets everything that they want. For me the Rolling Stones summed it up nicely when they said, '*You can't always get what you want but if you try sometimes, you might just find…*'.

I am pleased to observe that this Council has always conducted its affairs with decorum and in a respectful manner and I believe that we get a good grade for performance, especially considering the circumstances. Our CE seems to be of a similar view when in his previous CE report he stated,

'Throughout this triennium you have all carried out your responsibilities with integrity, professionalism and strength of character. It has been a genuine pleasure working alongside each of you - first as a General Manager and now as Chief Executive.'

I wish to thank elected members for making the triennium a relatively productive and pleasurable experience.

6. Meetings Attended by Mayor or Nominated Representative

Date	Details	Location
23/06/2025	Inaugural Meeting Whakatāne Equity in Health Advocacy Group	Whakatāne Council Offices
24/06/2025	Three Waters Consent Replacement Programme PSG meeting	Whakatāne Council Offices
25/06/2025	Tarawera Awa Restoration Strategy Group Extraordinary Meeting	Online via Zoom
25/06/2025	Pink Ribbon Breakfast	Whakatāne High School
27/06/2025	Pohiri Governor General Visit	Te Mānuka Tutahi Marae, Whakatāne
27/06/2025	Visit to Whakatāne by the Governor-General - Dinner	Roquette Restaurant, Whakatāne
3/07/2025	Bay of Plenty Mayoral Forum	Bay of Plenty Regional Council, Tauranga
4/07/2025	Bay of Plenty Civil Defence Emergency Management Group Joint Committee	Whakatāne Council Offices
4/07/2025	Meeting with Jenny Martelli, Interim General Manager, Whakatāne Hospital & Sandy Milne	Whakatāne Council Offices
5/07/2025	Light Up Festival Opening Night	Whakatāne
7/07/2025	Meeting with Derek Caudwell, Trust Horizon	Whakatāne Council Offices
11/07/2025	Eastern Bay of Plenty Joint Committee Meeting	Ōpōtiki District Council, Ōpōtiki
14/07/2025	Meeting with consultants re: Airport Solar investigation	Whakatāne Council Offices
18/07/2025	Meeting with Dr Philippa Cross	Whakatāne Council Offices

Date	Details	Location
25/07/2025	Citizenship Ceremony	Whakatāne Council Offices
31/07/2025	Mayoral Media Interview - tsunami/ weather impacts	via telephone

Attached to this report:

- Appendix A - Whakatāne Health Equity Advocacy Group (WHEAG)
- Appendix B - Mayor's Task Force for Water (MTFW) – Purpose and Membership

9.1.1 Appendix A - Whakatane Health Equity Advocacy Group (WHEAG)

Appendix A – Whakatāne Health Equity Advocacy Group (WHEAG)

As at 23 May 2025

Bryce Sheedy

CE of the EBOP Hospice

Bryce was very enthusiastic about joining a potential WHEAG group. He has held health management roles in the EBOP including, PHA, - Te Whatu Ora, Alzheimer's EBOP, Pou Whakaaro, private consulting and currently at the Hospice EBOP. In all these roles he has come up against many of the same themes around inequity and what has been referred to as post code health care. Although we live in what we call paradise, with amazingly resilient people, many die far to early due to lack of access to healthcare and health literacy education. Bryce's passion for the whanau we serve drives him every day to get out of bed and find ways to reach the amazing people across the far reaches of the EBOP.
He is keen to be part of any group that looks at creating equitable health care for all people in the EBOP.

Dr Chris Moyes

Paediatrician

Former Medical Director of the Hepatitis Foundation of New Zealand for many years in addition to his work as a paediatrician. Chris was a paediatrician at Whakatāne Hospital from about the early 80s and a lead paediatrician for our area. Dr Moyes has worked with Kaumātua in Eastern Bay of Plenty to improve access to testing, monitoring and treatment for Māori living with HBV. This year Dr Moyes was awarded The New Zealand Order of Merit.

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9.1.1 Appendix A - Whakatane Health Equity Advocacy Group (WHEAG)(Cont.)

Rob Probst

Engineer

Rob currently provides maintenance excellence consultancy, training and career development services in New Zealand and the USA. He has 40 years of experience in engineering, project, operations and maintenance management in the New Zealand, USA, Australia. Rob held a position Maintenance Engineering Manager at Fonterra (New Zealand's largest company), where he was responsible for initiating and leading a national maintenance improvement programme. One of the Fonterra sites achieved World Class recognition, (by IDCON Inc.) in 2009. He has also held engineering management roles at Norske Skog Tasman and CHH Wood products where he led successful maintenance process improvement initiatives.

Rob holds a Bachelor of Science degree in mechanical engineering from the University of California at Berkeley, and a Master of Business (HR) from Massey University in New Zealand where he completed a research project on the applicability of career development theory to employee selection and placement. Rob was also awarded Graduate Certificate in Career Development from Auckland University of Technology. He currently holds CMRP certification from SMRP.

Rachel Morris

A health professional with over 20 years of experience across clinical care, digital health, strategic planning, and health infrastructure. Born and raised in Edgecumbe until high school, she gained experience globally and moved back to Whakatāne four years ago to be near family, raise children in The Bay and bring her skills home. Rachel brings a deep local understanding and a practical, community-minded approach to improving local health outcomes.

Her career began in Radiation Therapy and has spanned roles in project management, health planning, and risk management - working across Aotearoa and Australia. Now involved in both local and international health projects, Rachel incorporates Te Ao Māori principles and mana whenua perspectives into her work. She also runs a kinesiology practice in Whakatāne, offering a holistic view of wellness and hauora.

Rachel is focused on using her experience to guide and support practical, effective health initiatives for the Whakatāne District—bringing local insight and professional expertise together to benefit the community.

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9.1.1 Appendix A - Whakatane Health Equity Advocacy Group (WHEAG)(Cont.)

Pita Paul

Māori Health Advisor

Pita Paul brings over two decades of leadership in Māori health across governance, advisory, and cultural roles. He has served as Pou Tikanga/Principal Advisor in Māori Health for Health NZ, a Principal Advisor to Iwi Māori Partnership Boards, and held cultural advisory positions on national boards including Te Puna/Taumata Arowai, the National Coronial Perinatal Board, and InterRAI NZ. His roles span Whānau Ora facilitation at Gisborne Hospital, public/environmental health at Auckland Regional Public Health Service, and Māori health workforce development. Pita's expertise lies in bridging clinical, cultural, and regulatory health contexts to advance equitable Māori health outcomes.

Enid Ratahi-Pryor

Chair of Ngāti Awa Social & Health Services (NASH) & former CE of Te Rūnanga o Ngāti Awa

Enid was a former CEO of the Disabilities Resource Centre, EBOP, having been in the role for about three years from 1995.
In the role she established the beginnings of a comprehensive Home Care & Support Service and was responsible for developing the Business Plan, fundraising and building of the purpose built facilities that are occupied by the DRC today in King St Whakatane.

In the late 1990 Enid was part of the working group that designed the Whakatāne Hospital Support Net (MAISS System) Managed Access to Support Services Assessment System that was focused upon providing integrated support and care for the elderly and people with disabilities.

In 2004-2008 Enid was appointed as Chairperson of the Bay of Plenty District Health Boards Disability Support Advisory Committee and member of the Board of the Bay of Plenty District Health Board.
She commenced a role as CEO of Ngāti Awa Social Services in 1998 and was able to expand the service delivery of Ngāti Awa to incorporate health services. She has overseen the growth of the organisation from what was a very small care focused service into the much larger integrated health, social, employment, early childhood and housing that it is today. Enid has held governance roles in the Lottery Facilities and Significant Grants committees, Bay Trust and other philanthropic Trusts within Iwi including forestry and land Trusts.

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9.1.1 Appendix A - Whakatane Health Equity Advocacy Group (WHEAG)(Cont.)

Dr Chris Tooley

CEO of Te Puna Ora o Mataatua

Dr Chris Tooley, Ngāti Kahangunu, holds a PhD from the University of Cambridge and was recipient of the Gates Cambridge Scholarship. Chris has served as Vice-Chair of the International Working Group of Indigenous Affairs (2015-19), Senior Ministerial Advisor to Sir Pita R Sharples, Minister of Māori Affairs (2009-14) and member of the Interim Māori Health Authority Board (2021-22).
Chris was the recipient of the Blake Leadership Award from the Sir Peter Blake Trust in 2020, Matariki Award, Waitī (Health & Science) in 2022 and the Distinguished Alumni Award from the University of Auckland earlier this year.

Frances Te Kani

(Representing Chris Tooley)
Frances Te Kani is an experienced leader in health, social services, and Māori development, currently serving as Manahautū Herenga Waka / Chief Relations Officer at Te Puna Ora o Mataatua. With over 20 years of leadership across government and iwi-based organisations, Frances has held pivotal roles including Corporate Director at Te Puna Ora o Mataatua, Toitiaki Site Lead for Māori Health Services at Te Whatu Ora Health New Zealand, and Project Manager at Te Tohu o te Ora o Ngāti Awa. She also brings extensive operational expertise from her time as Team Lead Manager at the Accident Compensation Corporation and Operations Manager at the Eastern Bay Primary Health Alliance. Frances holds degrees in Commerce from Massey University and English from the University of Waikato. She is deeply committed to strengthening relationships, advancing equity, and supporting the wellbeing of Māori communities across Aotearoa.

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9.1.1 Appendix A - Whakatane Health Equity Advocacy Group (WHEAG)(Cont.)

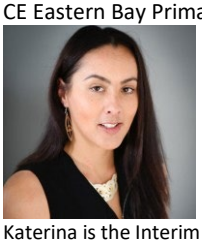
Vince Copeland

Member of Iwi Māori Partnership Board

Vincent was born in Whakatāne and is of Tūhoe and Ngāti Awa descent. Since leaving the Regular Force of the New Zealand Army in 2013, he has worked primarily in social sector kaupapa Māori organisations. Vince now works in the health sector as the Kaihautū of Te Moana a Toi Iwi-Māori Partnership Board. He continues to serve his community as Chair of Te Tapatoru a Toi Joint Management Committee and as a Major in the Army Reserve.

Katerina Gordon

CE Eastern Bay Primary Health Alliance (Interim)



Katerina is the Interim Chief Executive Officer of the Eastern Bay Primary Health Alliance. She has a deep commitment to improving outcomes in Māori health, well-being, and development, with particular focus on mokopuna, Tāne Ora, suicide prevention, mental health, and whānau violence. Katarina holds academic qualifications in Psychology and Māori Development and brings extensive professional experience across Kaupapa Māori health services, government, and mainstream health sectors. She is passionate about driving positive change by fostering community and organisational engagement, collaboration, and equitable health outcomes for whānau.

Belinda Whitworth

Belinda has held clinical, leadership and management roles in health in Western Australia, New Zealand and Britain spanning forty plus years. She has extensive experience and skills in strategic and operational planning, developing and delivery of evidence-based patient centred models of care, across the continuum of care from preventing to treatment and end of life care and contract management.

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9.1.2 Appendix B - Mayor's Task Force for Water (MTFW) - Purpose and Membership

9.1.2 Appendix B - Mayor's Task Force for Water (MTFW) - Purpose and Membership(Cont.)

Appendix B – Mayor's Task Force for Water (MTFW) – Purpose and Membership

20 May 2025

Purpose of the Task Force

- The Mayor's taskforce for water was proudly setup by Mayor Dr Victor Luca with strong support from the CE of WDC, Steve Perdia, to assist council to look outside-the-box for cost-saving solutions for meeting engineering challenges associated with water services delivery in Whakatāne District. Call it brain-storming if you like.
- The delivery of safe, modern and cost-effect water services to communities is a highly technical. It is the province of water engineers, scientists and technologists. Whakatāne district is particularly challenging because of its large geographic area and the fact that the district comprises a number of relatively large satellite communities; some quite geographically isolated.
- Seven highly skilled individuals have volunteered to generously contribute their time, energy and skills for the benefit of their communities.
- This highly skilled team is presently being briefed on all technical and financial aspects associated with drinking, wastewater and stormwater system delivery. The team will contribute critical thinking, creative problem solving and sound advice and act as a sounding board for council engineers.
- At the inaugural meeting of the MTFW in April, members heard about the Council's 2024 LTP waters services budget being constrained due to affordability; a Martin Jenkins LWDW review highlighting compliance, capacity, and affordability concerns; and work undertaken after the proposed wastewater standards release to reprofile a regulatory compliant and financially sustainable water services budget.
- Members were briefed about a variety of technical challenges facing the Council's nine water supplies, six wastewater and eight stormwater schemes. We have some failing on-site wastewater systems, environmental compliance and network issues, poor location and resilience of some treatment plants, water intake and raw water quality issues, and network and servicing constraints (supply and pressure). Potential pathways to address our significant challenges were highlighted.
- In May members toured Whakatāne's main water treatment plant to obtain a first-hand understanding of the treatment processes. Despite salinity, cyanobacteria, taste, flooding, and structural issues the plant continues to meet drinking water standards. The possible future integration of the Whakatāne/Ōhope and Plains-Otumahi water supply schemes was then discussed.
- Our next meeting planned for in June will focus on financing; the Council's cost allocation model, and our water charging and rating review.

Members of the MTFW

Dr Derek Caudwell (Chemical Engineer)

Derek was appointed the Trust Horizon Manager in January 2021, having previously been the General Manager of Horizon Networks. Although Derek's initial training was in chemical engineering in which he has

9.1.2 Appendix B - Mayor's Task Force for Water (MTFW) - Purpose and Membership(Cont.)

a PhD he has over 15 years' experience in the energy industry, working in various commercially focused roles both in New Zealand and overseas. He holds a Diploma in Financial Management as well as a Doctorate and Honours in Engineering. Having grown up in the Bay of Plenty, Derek and his family now call Ōhope home.

Tyrone Newsom (Civil Engineer)

Tryone is of Ngāti Kahu and Te Rarawa decent and is Chief Executive Officer of Ngāti Awa Group Holdings Limited. He has been a director at Te Kuaka, which provides project management and engineering services across health, commercial and mixed-use construction. Prior to that, he was a Development Manager at Kiwi Property. For much of his early career, Mr Newsom was based in Singapore and then in Malaysia taking on roles with international companies Beca, McConnell Dowell and Ikea Malaysia. He was the Chief Executive and then a Board member for Te Puna Topu o Hokianga Trust and has served as a chairman for the Ritimana Kohanga Reo.
In 2007, he was named Young Engineer of the Year by the Institute of Professional Engineers New Zealand.

Dr Peter Minten (Process Engineer)

Peter Minten was born in The Netherlands and relocated to New Zealand in 2009. He was trained in science and engineering. More specifically he has a Bachelors degree in Process Engineering from Amsterdam College for Marine Engineering. Ship power and Propulsion systems.

Peter also has a Masters in pulp & paper technology from HAN University for Applied Sciences and TU Darmstadt Paper Technology and Mechanical Process Engineering and a PhD.

He has published a number of research papers including 1) Paper Machine Headboxes Cross Direction (CD) Quality Control Systems. Systems comparison research; 2) Energy - and Energy Recovery Systems for Pulp/Paper drying. Operational parameters research and 3) Pulp Medium Consistency Storage as a means for energy management to optimise costs in a high energy price environment.

Peter has seven years of work experience in Commercial Marine and held several positions within the paper industry in The Netherlands and New Zealand where he has held Technology, Operational and Project Management Positions. He retired from a position as a paper mill manager at Norske Skog Kawerau after 34 years.

Lean Manufacturing Specialist according to Toyota Lean (The Toyota Way) since 2006.

Current hobbies include Appita (Australasian pulp & paper industry technical association) New Zealand section vice chair and Appita magazine New Zealand features editor.

9.1.2 Appendix B - Mayor's Task Force for Water (MTFW) - Purpose and Membership(Cont.)

Graeme Weston (Technical Draftsperson)

Graeme is a retired Mechanical and Infrastructure Design Specialist with over 40 years of experience delivering large-scale industrial and utility projects across New Zealand, Australia, and internationally. His career spans pulp and paper, wastewater treatment, and renewable energy, with a focus on 3D plant modelling, piping design, and asset integration using advanced engineering tools. Graeme is now based in the Eastern Bay of Plenty where he contributes to the Mayor's Task Force for Water by advising on practical, cost-effective solutions for upgrading ageing infrastructure, improving asset data, and supporting long-term resilience planning.

Suzanne Naylor (Water & Wastewater Engineer)

Suzanne Naylor is a Chartered Environmental Engineer whose entire career has been dedicated to the water and wastewater sector. She has extensive experience in water and wastewater management, both within municipal authorities and industry

Suzanne's water journey began at Watercare in 2002 and included responsibilities for source/raw water management, dam safety, as well as water and wastewater networks and reticulation. She also led the specialist environmental/water quality and technical support team, playing a pivotal role in compliance management and strategic leadership across the wider business.

In 2023, Suzanne was offered the role of General Manager Water & Environment at Fonterra Ltd, due to her background in water and environmental management. Since being at Fonterra, Suzanne has continued to champion sustainability initiatives with her forward-thinking approach, aimed at building a sustainable future for all New Zealanders, and has been a key figure in managing water and wastewater across Fonterra's 30 manufacturing sites.

9.1.2 Appendix B - Mayor's Task Force for Water (MTFW) - Purpose and Membership(Cont.)

Dr Steven Northrop (Water Engineer)

Steve has a PhD in Water Resource Engineering, Masters in Engineering Science, Bachelor of Chemical Engineering (Hons) and a Diploma in Project Management.

Steve has significant experience in the industrial, chemical, water, waste and environmental sectors. His PhD developed low-cost processes to minimise environmental impacts from wastewater and solid residuals on land, marine and freshwater discharges. Steve has managed water (process and potable), wastewater and solids residuals handling assets with a strong track record of process improvement.

10 Reports - *Ngā Pūrongo*

10.1 Local Water Done Well – Water Services Delivery Plan for approval

To:	**Whakatāne District Council**
Date:	**Thursday, 14 August, 2025**
Author:	**W Vullings / Senior Advisor Strategy and Growth**
Authoriser:	**D Bewley / GM Planning, Regulatory and Infrastructure**
Reference:	**A2939012**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this report is to seek Council approval for a Water Services Delivery Plan for the Whakatāne District.

A Water Services Delivery Plan (WSDP) is required to be submitted to the Department of Internal Affairs (DIA) by 3 September 2025. Subject to approval by DIA, the WSDP will provide the basis for future delivery of water services in the Whakatāne District and will inform a programme of work to transition to the new service delivery model.

The WSDP is attached to this report for Council approval.

2. Recommendations - *Tohutohu Akaike*

That the Whakatāne District Council:

1. **Receives** the "Local Water Done Well – Water Services Delivery Plan for approval" report; and,
2. **Approves** the attached WSDP for submission to the Department of Internal Affairs by 3 September 2025, subject to any minor changes that might be required; and,
3. **Provides** delegation to the Chief Executive to make minor changes to the attached WSDP, should these be needed to enable certification of the Plan; and,
4. **Notes** the WSDP is subject to approval by the Department of Internal Affairs before becoming the established pathway for future delivery of water services in the Whakatāne District.

3. Background - *He tirohanga whakamuri*

3.1. Local Water Done Well reforms

The Whakatāne District Council continues to work through the Local Water Done Well (LWDW) suite of reforms set out by central government. LWDW is the government's new way of addressing the underfunding challenges across the country and replaces the previous Labour government's Three Waters Reform programme. New legislation applies to all water service delivery, including water supply, wastewater, and stormwater – with the aim to ensure every community has access to fully-funded safe, reliable, and sustainable water services. It also keeps assets in public ownership

and lets each council decide the best option to deliver water for its community. LWDW is being implemented in three stages, each with its own piece of legislation – an overview is available on the DIA website .

As part of the LWDW reform, the government has mandated that councils must review how water services are delivered. The reform introduces new regulatory standards for water services that all councils must meet, as well as mandatory planning and accountability mechanisms for new water organisations. All territorial authorities are required to prepare a WSDP and to submit this to the Department of Internal Affairs by 3 September 2025.

A new regulation framework is also established under the reforms including responsibilities for the Commerce Commission alongside existing Taumata Arowai. The Commerce Commission will focus on economic regulation, including price and quality standards, and will be funded via levies on regulated suppliers. Taumata Arowai will continue to focus on drinking water safety and environmental performance of wastewater and stormwater.

4. Discussion – Kōrero

4.1. What is a WSDP?

WSDPs are a one-off, transitional requirement under the Local Government (Water Services Preliminary Arrangements) Act 2024. These Plans are intended as a way for councils to demonstrate their commitment to deliver water services that meet regulatory requirements, support growth and urban development, and that are financially sustainable.

The Act sets out the content requirements of WSDPs. These must cover all services - drinking water, wastewater and stormwater and include information across three key areas:

1. Council's water services delivery, financial and asset information and performance measures, pricing and other related policies, methodologies and assumptions.
2. Planned levels of investment in water services delivery, approach to operations, and whether these are sufficient to deliver the proposed level of service, meet infrastructure standards and meet regulatory standards.
3. Council's proposed water services delivery arrangements, including proposals for any joint arrangements across more than one council.

WSDPs must also include a clear implementation plan outlining the steps to transition to the chosen delivery model and achieve the plan's objectives. Once adopted and accepted by the Secretary of Local Government, a WSDP will become a blueprint for how council will deliver water services in your district.

4.2. Summary of process towards our WSDP

The Whakatāne District Council has worked through a substantial process in navigating the LWDW reforms over the past year. The following provides a summary of process and key milestones towards developing a WSDP:

Date	Brief Description
23 Oct 2024	***Overview of Local Water Done Well***

10.1 Local Water Done Well – Water Services Delivery Plan for approval(Cont.)

	The Council was provided with an overview of LWDW reform and sets a proposed approach for delivering against the new and pending legislative requirements.
20 Nov 2024	***Setting strategic objectives*** The Council discussed and set a series of seven strategic objectives to guide their decisions as they navigate LWDW reform.
Nov-Dec 2024	***Consideration of delivery models for further exploration*** The Council received an independent report analysing the current state of our water services and providing a high-level options assessment for future water services delivery. The Council shortlisted options for further analysis, discounted certain options, and requested review of existing expenditure projections for three waters to provide an appropriate basis for development of a WSDP.
Nov 2024 – ongoing	***Engagement with regional and sub-regional partners and DIA*** The Mayor, CE, staff, and consultants engaged with regional partners on potential options for future water service delivery. The project also engaged with DIA to understand how they might support multi-CCO arrangements between districts. In line with direction provided by Council, engagement will continue with focus on potential partners for an Eastern Bay of Plenty multi-CCO arrangements.
Dec 2024 – Jan 2025	***Review of expenditure projections*** Tonkin & Taylor review expenditure projections for water services. The report (Three Waters Indicative Compliant Budget) finds budgets would have to be increased substantially, compared to the Long Term Plan, to ensure regulatory compliance. It is recognised that the increased level of investment could not be delivered using a ring-fenced Internal Business Unit. For the ring-fenced Internal Business Unit to be viable, expenditure would need to be reprioritised and remodelled.
Jan – Mar 2025	***Remodelling expenditure projections*** Work is undertaken (and peer reviewed) to remodel expenditure projections and the associated work programme for three waters. Remodelling seeks to ensure compliance with regulatory requirements, while also considering achievability and affordability. The remodelled approach identifies that some reprioritisation and rescoping of projects will be required in the Council's Long Term Plan.
26 Mar 2025	***Signalling the service delivery models for consultation***

	At the Council briefing on 26 March 2025 councillors were presented with analysis and comparison of the two shortlisted options. The Council discussed the advantages, risks, and disadvantages for the two shortlisted options, and considered these against their agreed strategic objectives for three waters reform.
10 Apr 2025	***Approval of consultation options and consultation document*** At the Infrastructure and Planning Committee meeting of 10 April 2025 two options were formally confirmed for public consultation being (1) forming or joining a water services organisation with other councils (multi-council CCO) and (2) forming a ring-fenced business unit. The Committee approved the consultation document including signalling Option 1 as the preferred option.
Apr – Jun 2025	***Formal public consultation and hearings*** Formal public consultation was open for a month supported with a dedicated multifaceted engagement campaign. Submissions were invited through to 18 May 2025 with hearings held 5 June 2025. Council received 84 written submissions, with nine individuals and organisations attending hearings.
26 Jun 2025	***Council decision on future delivery model for water services*** At the Council briefing on 26 June 2025, a decision was made to develop the WSDP on the basis of a ring fenced Internal Business Unit approach, while continuing to investigate the potential for an Eastern Bay of Plenty Water Services Council Controlled Organisation (WSCCO). The resolutions also approved the reprofiled expenditure and work programme for three waters to be included in the WSDP. The resolutions from this meeting are attached to this report as appendix 1.

4.3. Key observations from the WSDP

Operating model:

The attached Water Services Delivery Plan has been developed to meet the requirements of legislation and confirms that the Council will meet financial sustainability requirements, with sufficient investment, revenue, and financing in place. The WSDP spans 2025–2034, with a focus on transitioning to a ring-fenced Internal Business Unit model while continuing to explore a joint eastern bay of plenty water services organisation with neighbouring councils Rotorua Lakes District, Ōpōtiki District and Kawerau District.

Expenditure programme:

A total capital programme of $261.7 million (inflated) is planned, including $87.2 million for water supply, $156.7 million for wastewater, and $17.8 million for stormwater. This investment has been reviewed and validated by external consultants and regulators to ensure compliance with national

standards, with drinking water infrastructure expected to be compliant by 2028 and wastewater by 2032. As Council is aware, this varies from the programme set out in the current LTP 2024-34, an inconsistency that will be resolved in the development of Council's next LTP covering 2027-37 period.

Operating revenue and costs to customers:

Financial projections show operating revenue requirements increasing from $22.4 million in FY25 to $51.3 million in FY34, with operating deficits gradually reducing until a surplus is achieved in FY34. To meet these requirements water charges per connection are expected to rise from $2,041 per annum to $4,411 (inflation adjusted) over the same period. It should be noted that this is based on continuation of the ring-fenced Internal Business Unit model; however earlier modelling showed only minor variation in user costs between various delivery options. This means water charges need to increase regardless of the delivery option taken forward.

Debt financing:

Debt levels are projected to peak at $217.7 million in FY34, remaining within the Council's borrowing limits. Insurance coverage for water assets totals $769 million, with policies in place for infrastructure, machinery breakdown, public liability, and other risks. The plan also includes detailed financial statements, cashflow projections, and capital investment schedules for each of the three waters services, demonstrating a robust and transparent approach to long-term infrastructure planning and financial management.

Organisational impact:

Operationally, the Council's Three Waters team comprises 35 full-time staff supported by contractors and consultants. Service delivery functions such as design, construction, operations, maintenance, planning, financial management, and compliance are handled through a mix of internal teams and external providers. The ring-fenced Internal Business Unit will need to allocate apportionment of costs between Council and the Water Services where functions continue to be shared – such as HR, communications, fleet use, and finance for example. Staff will be supported through these changes.

4.4. Implementation timeline:

There are many detailed implementation considerations and processes to work through. A phased implementation plan within the WSDP outlines milestones for ring-fencing water services, establishing separate financial tracking, and meeting legal and regulatory requirements. Financial separation, and separate planning and reporting are expected to be in place by 1 July 2027 to support the ring-fenced Internal Business Unit. Work towards a Joint WSCCO with Rotorua Lakes Council, Ōpōtiki and Kawerau District Councils would aim for an establishment date of 1 July 2028, and be subject to public consultation alongside the Long Term Plan 2027-37.

4.5. Engagement with DIA continues to inform our WSDP

Following the Council decisions on 26 June 2025, DIA asked to see a draft WSDP from the Council on the basis that ring-fenced Internal Business Unit delivery approach may not meet financial sustainability requirements. However, the DIA analysis was based on financial information drawn from the Council's Long Term Plan 2024-27, and this no longer provides the assumptions for the water services delivery plan.

On Thursday 31 July 2025, an unapproved draft WSDP was shared with DIA in advance of the final submission deadline. This has enabled Whakatāne District Council to provide the updated financial planning assumptions to DIA to inform their understanding. This also enables further early conversation and feedback between Council and DIA to help finalise our WSDP. DIA has confirmed that they hope to have feedback to the Council on Monday, 11 August 2025. This will allow staff to update the Council on their response at the Council meeting.

Finalisation of the WSDP will continue between the 14 August 2025 Council meeting, and the deadline for submitting the WSDP which is 3 September 2025. It is therefore requested that delegation be provided to the Chief Executive to make minor changes to the attached WSDP (if required) to enable finalisation in advance of the DIA submission deadline. Any minor of potential interest to Council can be reported back to Council, and (although not expected) if any substantive changes are required these would be progressed through a Council meeting.

5. Options analysis - *Ngā Kōwhiringa*

Options in relation to the matters of this report are as follows:

- **Option 1:** approve the attached WSDP for submission to DIA by 3 Sep 2025 (recommended)
- **Option 2:** decline the attached WSDP in its current form.

Option 1 is the recommended option. This acknowledges that the WSDP has been developed on the basis of Council direction and is consistent with decisions previously taken by Council to arrive at this decision point. The development of the attached WSDP has also been informed by peer review at various stages and by conversations and feedback with DIA, providing increased confidence in the resulting Plan. As discussed, in taking this option, further minor changes may be required in finalising the WSDP (at the discretion of the CE).

Option 2 might be considered by Council should they feel the WSDP does not reflect their expectations or the direction they have previously provided. This is not recommended noting that the WSDP has been developed with close Council oversight and direction. This option would put pressure on Council's ability to meet the upcoming 3 September deadline for submitting our WSDP to DIA.

6. Significance and engagement assessment - Aromatawai pāhekoheko

6.1. Assessment of Significance

As indicated in previous papers the decisions and matters of this specific report are assessed to be of high significance in accordance with the Council's Significance and Engagement Policy. In accordance with the level of significance Council has followed a substantial and in-depth process over the past year to understand the context and content, approach decisions in a structured and stepped manner, ensure careful adherence to legislative guidance, and to undertake stakeholder and general public engagement.

6.2. Engagement and Community Views

Being a matter of high significance, engagement and community views are a critical input to the decision process. Community views were sought to inform the decisions on this matter including iwi engagement, stakeholder engagement, general public engagement, and hearings. An overview of engagement and consultation is available in the agenda report to the Council deliberations on this

matter at their meeting of 26 June 2025. Once the WSDP plan is approved by DIA, the implementation plan will be followed which includes further engagement, including through preparation of the next LTP.

7. Considerations - *Whai Whakaaro*

7.1. Strategic Alignment

The WSDP attached to this report is inconsistent with Council's current service delivery arrangements, planning, strategies and policies, and financial projections. The inconsistencies stem from new legislative requirements under the reform programme that council will need to align with, but also Council's decision to reprofile the capital expenditure and associated work programme to support a financially sustainable WSDP.

The strategy, planning and policy inconsistencies will be addressed through the WSDP implementation programme. Most inconsistencies are expected to be addressed by 1 July 2027 whereupon the new Council Long Term Plan and new separated planning and policy requirements for three waters will resolve matters.

7.2. Legal

The development of the WSDP is being progressed under the Local Water Done Well legislation and guidance from central government. Ongoing quality assurance is a key part of this programme of work to support legislative compliance.

7.3. Financial/Budget Considerations

The recommendations of this report have financial and budget implications. This includes resourcing for transition into the new water services delivery model and for continued exploration of an "eastern" multi-council CCO option, alongside Rotorua Lakes Council, Ōpōtiki and Kawerau District Councils. As previously reported to Council, the WSDP also requires reforecasting of the water services expenditure and financing.

For the current financial year 2025-26, there is a budget of $200,000 to implement the WSDP. This may prove challenging given the implementation phase will include both ringfencing current operations, and continuing to discuss a multiple council CCO option. Future costs will need to be considered through the development of the Council's next Annual Plan, next Long Term Plan, and through the new Waters Strategy.

7.4. Climate Change Assessment

The Councils Three Waters services impact on and are integral to climate change outcomes for our communities (wastewater provides Council's largest source of emissions by a substantial margin). This said, the decisions of this report will inform the model for future service delivery, rather than specific options for levels of service and work programmes that might address emissions or enhance resilience. The climate change impact assessment is therefore considered to be 'low'.

7.5. Risks

The following table provides an overview of key risks associated with the report recommendations:

Risk	Description and/or Mitigation
Potential Council partners in a CCO decide on an alternative option	Reconsider other WSCCO options and/or maintain the financial sustainability of the WDC internal water services business unit
Limited direct control/influence over the joint WSCCO's investment decisions	Regular WDC interaction with the joint WSCCO Chair and CE Ongoing refinement of the Statement of Expectations
Impaired Māori relations with a joint WSCCO	Involve Iwi from the outset in the design of any joint WSCCO governance arrangements
Community response to meeting compliance/regulatory focussed capital works programme.	Accept negative perceptions around projects that may be deferred or outcomes that do not necessarily meet community expectations, and communicate the reasons for the approach taken.
Affordability of work programme	While financially sustainable, modelling with our proposed CCO partner Councils will establish if a joint WSCCO will reduce relative long-term costs
Deliverability of work programme	Continuing improvement of project management practices/systems. Joint WSCCO improved access to specialist expertise.
Stranded overheads	Carefully manage transition to a joint WSCCO over time to limit any costs
Lack of community support	Ensure Levels of Service continue and/or improve under a joint WSCCO

8. Next steps – E whai ake nei

An overview of the immediate next steps for this programme of work is set out below. Detailed next steps are set out in the implementation plan within the WSDP attached to this report.

Date	Next step
14 Aug 2025	***Council approve WSDP***
3 Sep 2025	Final date for WSDP to be submitted to DIA
Sep – Oct 2025	DIA to assess WSDP and either approve or set out resulting expectations.
October 2025…	Implementation commences in accordance with WSDP

Attached to this Report:

- Appendix A: Council Resolutions 26 June 2025
- Appendix B: Whakatāne District WSDP 2025

10.1.1 Appendix A - Council Resolutions 26 June 2025

RESOLVED:

THAT the Whakatāne District Council:

1. **Receives** the "Local Water Done Well – Deciding the model for future delivery of water services" report; and,
2. **Agrees** that water services should be delivered by a stand-alone ring-fenced water services business unit until such time as the work can be done and it can be validated that a multi-CCO will deliver lower cost services over the long-term to users of water services.
3. **Agrees** to undertake the work necessary in the interim to ring-fence the water service business unit from other Council activities to meet the legislative requirements and timeframes that will be set by the enactment of the Local Government (Water Services) Bill expected later this year; and,
4. **Agrees** that its work also be undertaken to develop a multi-Council waters entity with Kawerau District Council, Ōpōtiki District Council and Rotorua Lakes Council (and other likeminded Councils wanting to join this group) noting these Councils are at a similar development stage and are more closely aligned on an achievable development timeline; and,
5. **Notes** that the ring-fenced waters business unit will be integrated into a multi-Council waters services entity by 1 July 2028 based on early timeline discussions with the Councils described in recommendation 3; and,
6. **Approves** the reprofiled expenditure and work programme for three waters at an average of $21million (plus inflation) per annum for the Long Term Plan 10-year capex programme as the basis for developing the Water Services Delivery Plan; and,
7. **Notes** that the reprofiled expenditure and three waters work programme is inconsistent with Council's existing Long Term Plan and Infrastructure Strategy, and that these inconsistencies will be resolved through Council's next Long Term Plan process; and
8. **Directs** Council officers prepare the Council's Water Services Delivery Plan on the above basis for Council's approval on 14 August 2025 prior to submission to the Secretary of Local Government (Department of Internal Affairs) by 3 September 2025.

10.1.2 Appendix B - Whakatāne District WSDP 2025


Appendix B
Water Services Delivery Plan
DRAFT 31 July 2025
WHAKATĀNE
District Council
Kia Whakatāne au i ahau

Table of Contents

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

Statement that water services delivery is financially sustainable

Statement that water services delivery is financially sustainable
Financially sustainable water services provision

Whakatāne District Council can confirm that it will be financially sustainable as an in-house business unit ahead of 30 June 2028. Confirmation of financial sustainability includes confirmation that Council has:

- Investment sufficiency through a capital programme produced with the help of independent consultants Tonkin + Taylor that includes sufficient investment to meet regulatory requirements and provide for a combination of improving levels of service, accommodating growth, and providing for renewals.
- Revenue sufficient to deliver the water services required in the capital programme and service associated debt.
- Financing sufficient to fund the capital programme, within the Council's approved debt limits.

Details and evidence to support the Council's judgments about financial sustainability are included in Part D.

Investment Sufficiency

The LTP proposed a capital programme totalling $190 million (in real terms) over the forecast period, with just over half of this forecast to renew existing assets and the vast majority of the remainder to improve levels of service.

Tonkin + Taylor was engaged to review the LTP capex programme to determine additional investment required to meet regulatory requirements, particularly in regard to wastewater infrastructure. This was further refined by council officers following discussions with the Water Services Authority (Taumata Arowai) and Bay of Plenty Regional Council. This capital programme was subsequently reviewed by Beca for consistency with proposed national wastewater environmental performance standards, noting there remains some uncertainty regarding the final form and application of new national standards.

The final capital programme totals $215.7 million over ten years (in real terms) and forms the basis for financial modelling undertaken for this options assessment.

Under this final capital programme, drinking water infrastructure will be compliant with regulatory requirements by 2028, and wastewater infrastructure will be compliant by 2032 (noting there is some uncertainty with the final wastewater standards).

The $215.7 million 10-year capital programme in today's dollars equates to $261.7 million in inflated dollars. This programme includes:

- $87.2 million in water supply assets
- $156.7 million in wastewater assets

- $17.8 million in stormwater assets.

The investment profile has been smoothed so real expenditure is relatively even, year-on-year.

Revenue Sufficiency

Council projects to generate sufficient revenue to meet the full cost of water services delivery, including operating expenditure, asset renewals, and debt servicing. Total operating revenue is projected to increase year-on-year throughout the ten years of the Plan from FY25. This drives the projection for operating deficits to generally reduce over the first nine years of the Plan, before operating surplus is achieved in FY34. Similarly, the operating cash surpluses are projected to increase from $5.2 million in FY25 to $18.5 million in FY34. In general, the revenue metrics show constant improvement in financial health over the ten-year period of this Plan, setting Council up to sustainably deliver water services in the next decade and beyond.

For WDC, average water charges per connection are forecast to increase from around $2,041 in FY25 to around $4,411 in FY34 (in nominal terms). This is a significant increase and could present affordability challenges to some ratepayers in the outer years of the Plan. This is one reason the Council has committed to explore forming a joint water services organisation with Rotorua Lakes Council, Ōpōtiki District Council, and Kawerau District Council (see next section).

The revenue projections:

- are based on revenue required to meet the investment profile the Council developed with the help of advice from Tonkin + Taylor, Beca, and regulators.
- meet additional operating costs included for Council to ensure adequate allowance for overheads, financing costs, and additional costs associated with exploring whether to establish or join a joint water services organisation. A copy of the underlying assumptions can be found in the Appendices.

Financing Sufficiency

As noted, nearly $261.7 million of capital investment is forecast over the WSDP period. Total net water borrowings peak at $217.7 million in FY34. However, net water debt peaks at 461% of net water revenue in FY30 and trends downwards thereafter. The Council can manage the borrowing required within the applicable borrowing limits as presented in Parts D and E of the WSDP.

Borrowing will be undertaken through the LGFA. Council can access whole-of-Council debt up to 280% of net revenue. The projection presented in this Plan ensures whole-of-Council debt would not exceed 246% (in FY30), leaving adequate debt headroom to deal with unexpected events.

Transitional arrangements

WDC needs to meet the ringfencing requirements to deliver water services through an inhouse business unit that truly stands alone. The Implementation Plan describes the steps WDC will take to ensure ring-fencing.

Proposed delivery model

Proposed model to deliver financially sustainable water services

The proposed model to deliver water services

WDC will deliver water services through an inhouse business unit while continuing to work with neighbouring councils in the east Bay of Plenty to explore the viability and benefits of establishing a joint water services organisation.

Analysis informed the preferred option

Analysis of potential options for water services delivery by MartinJenkins focused on the two most viable options:

- an internal water services unit
- a joint water services organisation (WSO) with councils in east Bay of Plenty.

The analysis showed the impact on affordability for ratepayers over the ten-year period of this Plan was similar, assuming price harmonisation could not be achieved across a multi-council WSO. While a joint WSO would allow WDC to access more debt finance for non-water projects, it would also entail establishment costs and give WDC less direct control over water service delivery in the Whakatāne district. The options had pros and cons, so the Council found the options relatively evenly balanced.

The Council decided to pursue an internal business unit as this option provides the Whakatāne district with the greatest control over its own water service delivery.

Revenue collection

Part C of this Plan sets out the approach to charging. Revenue will be collected through general and targeted rates, fees and charges, and subsidies and grants. It will be ring-fenced and tracked with separate General Ledger codes in the Council's accounting systems. Council will investigate storing revenues for each water in separate bank accounts.

Ring-fencing

Opening debt balances have been allocated to each of the three waters activities. Debt will be separately tracked against water activities. Interest on internal debt balances will be attributed to water services on an "arm's length" (commercial) basis based on the average of the council's cost of borrowing. Council will allocate shared overhead costs to each water activity based on a Council-approved cost allocation policy. Council will set up a separate chart of accounts within its General Ledger to enable full sets of auditable financial statements to be produced, with the intention that the Council will be in a position to meet ring-fencing and separated reporting requirements by 1 July 2027.

Delivery

As a Water Services Provider operating under the soon-to-be enacted Local Government (Water Services) Bill, the Council will be responsible for how assets will be operated and maintained on a day-to-day basis to:

- Achieve adequate level of service performance targets
- Meet resource consent conditions requirements
- Ensure the capacity of three waters assets is maintained
- Deliver three waters services at the required level
- Ensure effective control of water and support water conservation and efficiency
- Protect public health and safety.

Council has 35 FTE within three waters activities and will continue to deliver three waters services mainly through inhouse three waters operational staff, with support through outsourcing minor service contracts. Physical operations and maintenance works will be mainly covered by the internal three waters staff. Capital delivery projects will be managed by Project Delivery Managers and delivered through our adopted procurement process. The service delivery model is presented below.

Table 1. Whakatāne District Council service delivery model for three waters

Service delivery function	Internal service delivery team	Internal capabilities	External service delivery
Design	Project Management and Asset Teams – concept design	Currently 9 FTE across the two teams	Local consultants for detailed and construction design
Construct	New capex delivery via procurement process Council procurement team	Project Management team to manage delivery Will establish Service Agreement with Council proper for procurement team	Local contractors and water industry market delivery
Operate	Three waters operational and maintenance teams Customer services team	Currently 25 FTE across the three teams Will establish Service Agreement with Council proper for procurement team	Local contractor to monitor SCADA systems After hours Request for Services (RFS) via external contractor
Maintenance	Three waters operational and maintenance teams	Currently 25 FTE across the three teams	Local contractor for SCADA systems activities Local contractors for Three Waters “Green Space’ activities New Zealand contractor for Asset Management System upgrades

Planning and reporting	Asset Team for planning and WDC corporate services for assistance with reporting	Currently 5 FTE within Asset Team and regulatory compliance Will establish Service Agreement with Council proper for reporting	Consultants
Financial management	Rates team for billing WDC Financial Team with support from Asset Team	Will establish Service Agreement with Council proper	Contractors for Valuation process
Regulatory compliance	Internal operations staff for regulatory sampling. Compliance officers for regulatory requirements Trade Waste Officer	Internal operations staff for regulatory sampling. Compliance officers for regulatory requirements, trade waste	NATA accredited laboratories for sampling Consultants for laboratory compliance reporting Consultants for Audit compliance component

Implementation plan

Implementation plan
Implementing the proposed service delivery model

There are two main aspects of this implementation plan

Whakatāne District Council needs to proceed on the basis it will deliver water services through an internal business unit for at least the short-term, noting it may form a joint water services organisation if further exploration shows this to be the best approach.

Therefore, this implementation plan concerns two main aspects:

- The process for meeting the legal requirements for an internal business unit
- The process for exploring a joint water services organisation with neighbouring councils.

We describe each in turn.

The process for meeting the legal requirements for an internal business unit

As an internal business unit delivering water services, the Whakatāne District Council will need to meet the following requirements:

- Planning and reporting changes
    - Water Services Strategy
    - Water Services Annual Budget

- Water Services Annual Report
- Accounting changes to support the planning and reporting changes, for example:
  - Separate financial statements for water services
  - Annual audit of financial statements
- Economic regulation
  - Ring-fencing
  - Information disclosure
- Other requirements
  - Trade waste plan
  - Stormwater network risk management plan

Council will meet these requirements by taking the following steps.

Table 2. Milestones for Whakatāne District Council to meet the legal requirements for an internal business unit

Milestone	Timing
Recruit additional resource to help meet planning and reporting requirements	1 July 2025 – 30 June 2026
Investigate requirements necessary to completely ring-fence water services in financial and reporting systems	1 July 2025 – 30 June 2026
Implement changes identified in the previous stage to enable water services to be Ringfenced and billed separately	1 July 2026 – 30 June 2027
Draft the Water Services Strategy	2026
Prepare any proposed changes to the Development Contributions Policy and Revenue and Financing Policy (noting potential Development Levy regime may impact this action)	1 July 2026 – 31 December 2026
Consult on draft Water Services Strategy in line with consultation on the Long-Term Plan 2027 – 2037	March – April 2027
Consult on any changes to the Development Contributions Policy, Revenue and Financing Policy and Fees and Charges Schedule in line with consultation on the Long-Term Plan 2027 – 2037	March – April 2027
Consult on draft Trade Waste Discharge Plan	March – April 2027
Fully Ringfenced Three Waters Activities commences	1 July 2027
Water Services Strategy takes effect	1 July 2027
Adopt final Trade Waste Discharge Plan	Late-2027
First Annual Water Services Budget prepared	January – June 2028
Consult on draft Stormwater Network Risk Management Plan	Early-2028
First Annual Water Services Budget applies	1 July 2028 – 30 June 2029
Adopt final Stormwater Network Risk Management Plan	October 2028
First Water Services Annual Report adopted	By October 2029

The process for exploring a joint water services organisation with neighbouring councils

The Whakatāne District Council will continue to explore the feasibility of forming a joint water services organisation with councils in the Eastern Bay of Plenty with the Ōpōtiki District Council and Kawerau District Council, and with Rotorua Lakes Council. The information below has been agreed and aligns with the WSDPs for these partner councils Interested councils for proposed service delivery model.

In the 2025- 1 July 2028 triennium – Whakatāne District Council only.

- From 1 July 2028 to 2034:
  - Multi-council WSO operating as a CCO – including Whakatāne District Council and may also include Rotorua Lakes Council, Kawerau and Opotiki District Councils. This does not preclude other interested councils (such as Western Bay of Plenty and Taupō District Council) from being part of the working group.
  - Or continuing with Whakatāne District Council operating as a standalone in-house business unit.

1. Process for delivering the proposed model

The first process step is to gain interest from other councils to fully participate in the study, including joint funding, consultation, and decision making.

There will be ongoing engagement with the other interested councils including sharing plans and relevant information particularly in the set-up phase.

2.1 LWDW Programme (post 3 September 2025):

There are various LWDW programme tasks required throughout the process including:

- Set up Waters Working Group for interested councils.
- Sign Heads of Agreement for participating councils.
- Establish project governance for LWDW programme (potential to continue to set up of WSO).
- Set preliminary study scope and programme.

Ongoing oversight role throughout process.

2.2 Governance decisions – Elected Members:

The major governance decisions required by Elected Members for participating councils after the LG elections are:

- Elected Members induction - to orientate them on study purpose, community and iwi engagement, and their upcoming decision on WSO. Councillors approve the overall process for the detailed study and engagement to be undertaken.
- Elected Members decision making process - each participating council decides if it wishes to consult on preferred option (based on study outcomes).
- Each participating council decides on future of water services delivery after consultation.

2.3 Undertake detailed study:

An early step for exploring moving to a multi-council WSO will be to undertake a detailed study of a multi-council water organisation. This study would cover:

- Financial modelling for individual councils, own WDC in-house business unit and joint WSO for comparison – 10 and 30 year horizons.
- Agreement on criteria / strategic objectives to assess viability.
- Capture lessons from the process of setting up WSOs nationally such as Waikato Water, Southern Water, Selwyn District Council's own water CCO.
- Agreement on cost efficiency factors (i.e. operational cost savings) to be applied and to which year, in order to be transparent and defendable for decision making.
- Alternative scenario testing including:
  - Larger council(s) decide not to join WSO (due to their elected member decision).
  - Rural council(s) do not join WSO.

The key study inputs (including financial and non-financial data, and operational and capital programmes) will be based on the adopted WSDPs from the individual participating councils.

2.4 Community and iwi engagement:

- Early in the process, develop engagement plan.
- Partner with mana whenua *throughout the process* on best long-term option.
- Inform WDC's community progressively about the work of the Waters Working Group.
- The Waters Working Group to report back to WDC's elected members on a quarterly basis.
- Based on each participating council's decision to consult on a preferred option (informed by study outcomes), engage with community and stakeholders on the best long-term option.
- Feedback consultation results to Working Group for governance decision at each participating council.
- Ongoing stakeholder engagement throughout the WSO set up transition.

2.5 Set up of WSO (multi-council):

- Set up Transitional body - company, appoint Board, CEO progressively ahead.
- Develop detailed transition plan covering:
  - Determine governance structure for board.
  - Stakeholder governance – shareholding councils and iwi.
  - IT infrastructure and systems – what needs to be set up before Day 1 and what can be implemented over time, and what needs to be provided by council in the transition period.
  - Finance and funding - establish new entity financial structure, balance sheet, debt arrangements, charging and pricing.
  - Legal and compliance - transfer of all titles, duties, rights and obligations.
  - Resources during transition, backfill at each council for key roles, and in new structure.
- Undertake various key establishment tasks:
  - Resources to manage the programme of change, stakeholder engagement and support councils to backfill key roles.
  - Prepare founding documents - Transfer Agreement and Constitution.
  - Develop key documents – Statement of Expectations, Shareholder Agreement, Joint WSDP, Water Services Annual Report.
  - Financial review / actions - overhead allocation methodology review; set up timesheet process for capturing operations.
  - Organisation structure established.
  - Key management roles progressively start.

Future decision making

To support design making with a potential multi council WSO, a decision-making framework will be developed to ensure there is clarity on:

- There is a strong emphasis on decisions being made by consensus.
- Matters that will be brought to Waters Working Group for decision making before seeking formal elected members approval at respective councils.
- How the interested councils will make those decisions through the Waters Working Group.

Timeframes and key milestones (effective after WSDP submitted on 3 September 2025)

Refer to the detailed timeline for key milestone at task level. Key milestone dates are:

LWDW Programme (post 3 September 2025):

- October to December 2025 – various early process tasks including:
  - Set up the Waters Working Group.
  - Sign Heads of Agreement.
  - Chair appointed for the Waters Working Group.
  - Set preliminary study scope and programme.
- January 2026 to May 2028:
  - Ongoing oversight role throughout process.

Governance decisions – Elected Members:

- February / March 2026 – Elected Members induction - orientation.
- August 2026 - Elected Members decision making process - decides if wishes to consult on preferred option.
- Early 2027 – Decides on future of water services after consultation.

Undertake detailed study:

- January to July 2026:
  - Undertake the study.
  - Capture lessons from other WSOs set up nationally.
- July 2026 – Final report ready for governance decisions.

Community and iwi engagement:

- January to February 2026 - Develop engagement plan.
- March to September 2026:
  - Partner with mana whenua throughout process.
  - Inform WDC's community progressively about the work of the Waters Working Group.
  - The Waters Working Group to report back to WDC's elected members on a quarterly basis.
- September to October 2026 - Engage with community and stakeholders on the best long-term option.
- November 2026 – Feedback consultation results to the Waters Working Group for governance decision.

Set up of WSO– post governance decision (early 2027):

- May to August 2027 - Set up of transition body.
- May to June 2027 - Develop detailed transition plan.
- July 2027 to May 2028 - Undertake various key establishment tasks.
- March 2027 to June 2028 - Ongoing change management and stakeholder engagement throughout process.
- April to May 2028 – Progressive transition of people and services to the new WSO.
- April to June 2028 – Backfill any key council position vacant and still required post WSO.
- June 2028 – Staff and services fully transitioned to the new WSO.
- 1 July 2028 – Day 1.

Consultation and engagement

Consultation and engagement
Consultation and engagement undertaken

Council ran a two-phase engagement process in accordance with its Communications and Engagement Strategy.

- Phase 1 involved a three waters public education campaign to equip our communities with information on our how water services currently work.
- Phase 2 solely focused on public consultation regarding the Council's preferred water services delivery option and the most promising alternative.

Phase 1: Education

Education was delivered in Phase 1 through a dedicated website. This webpage and key messages regarding water services were promoted via a three-week digital campaign that utilised short form videos (reels), and a "call to action" for the upcoming consultation. These were supported via static messaging and infographics. Education was provided on the legislation and how Council will need to apply it, compliance requirements, decision making, cost of services (affordability), asset ownership, and future investment to meet growth. Our primary goal was to educate our communities about what water services are and why they are important, so they were prepared to respond to consultation.

Phase 2: Consultation

Council released a consultation document on 17 April, seeking submissions by 18 May. Council indicated its preferred option was to form a joint water services organisation with neighbouring councils. It also consulted on an alternative option: delivering water services through a standalone inhouse business unit.

Submitters could submit through digital channels or in hard copy.

Promotional activity supported consultation across social media, print media, radio, digital noticeboards, and other channels.

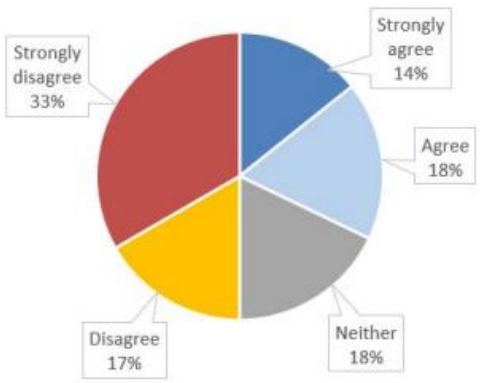
Community "pop-in" sessions were run through this period to inform the public and hear their views. Public hearings enabled submitters to present to Council.

Consultation was undertaken in accordance with Part 3 of the Local Government (Water Services Preliminary Arrangements) Act.

Results from consultation process

Overall, the submissions show mixed support in terms of the two options put forward for consultation. A larger proportion of submitters (50%) 'opposed' Council's preferred option (for a multi council CCO) - this is indicative of the views toward the preferred option but not necessarily an indication of support for the alternative proposal for a standalone business unit. A lower proportion (32%) showing support for the preferred option.

Figure 1. Breakdown of submissions on the consultation document



Do you agree with the preferred option (joining a multi-council CCO):

- 50% strongly oppose/oppose.
- 32% strongly support/support.
- 18% neither agree nor disagree.

Engagement with tangata whenua

Māori are Treaty partners and comprise 48% of the population in our District. As such, Council sought to ensure Māori views were understood.

Engagement with Iwi commenced early in the process ahead of the formal consultation process.

Engagement involved direct senior management conversations and information sharing between Council and Iwi Rūnanga. A number of Iwi representatives from within the district rohe, alongside our Mayor and Chief Executive, attended a DIA organised hui at Rotorua Lakes Council on 12 May to discuss LWDW. This included presentations from DIA and the Commerce Commission. Conversations between Council and Iwi have also been supported by Te Au o Te Awa Punga (Council-Iwi Policy Hub). The Council received submissions from Te Au o Te Awa Punga on behalf of their representation as well as from Te Rūnanga o Ngāti Awa, Te Rūnanga o Ngāti Manawa, Te Rūnanga o Ngāti Whare, and Te Mana o Ngāti Rangitihi. The Chief Executive of Te Uru Taumatua (Ngāi Tūhoe) has been informed through regular updates as we have progressed through the consultation process.

Key sentiments from Iwi feedback

Overall: Feedback from iwi was in the main cautiously open to options. Feedback tended to focus on strong expectations and principles expected in 'any' future service delivery arrangements.

Preferred model: Two of the submissions from Iwi mentioned the more localised options for better control, accountability and established relationships with Iwi. This included an Eastern Bay of Plenty CCO (Whakatāne, Kawerau and Ōpōtiki) with strong iwi governance and the ring-fenced internal business unit.

Partnership and governance: Iwi feedback has strong emphasis on co-governance, Treaty obligations, and iwi representation in any water entity. There is concern about the erosion of Māori governance roles.

Cultural-environmental integrity: Submissions refer to water as a taonga, some submissions note strong opposition to ocean outfall, mention is made of the need for environmental and catchment restoration, services must uphold Te Mana o Te Wai, services must support cultural practices and uphold traditional knowledge systems. Need for bespoke local solutions is also mentioned.

Equity: Concern that larger scale reorganisation may prioritise urban growth zones and lose focus on smaller rural Māori communities that have seen historic underinvestment. Submissions stress that cost models must not disproportionately burden vulnerable communities.

Assurance and adoption of the Plan

Assurance and adoption of the Plan

Through the development of the Water Service Delivery Plan (WSDP), WDC has leveraged external parties to provide advice and support.

WDC engaged Tonkin + Taylor to review the LTP capex programme to determine additional investment required to meet regulatory requirements, particularly in regard to wastewater infrastructure. This was further refined by council officers following discussions with the Water Services Authority (Taumata Arowai) and Bay of Plenty Regional Council. This capital programme was subsequently reviewed by Beca for consistency with proposed national wastewater environmental performance standards, noting there remains some uncertainty regarding the final form and application of new national standards.

From late-2024 MartinJenkins was engaged to support WDC to help identify suitable options for future water service delivery. MartinJenkins' reports concluded the two most prospective options available to WDC were for future water services to be delivered via:

- An internal Business unit within the Council
- A joint WSO with other neighbouring councils

On 25 June 2025, Council resolved to deliver water services through an internal business unit in the first instance, while continuing to explore a potential joint Water Services Organisation (WSO) with Rotorua Lakes Council and other councils. This WSDP has been prepared on this basis.

Through the development of the WSDP, relevant WDC officers have reviewed their relevant sections and confirmed this as being true and accurate.

WDC has shared a copy of the WSDP with DIA to seek initial feedback. Feedback was incorporated as appropriate.

Council resolution to adopt the Plan

This Water Services Delivery Plan was tabled with Council for approval on 14 August 2025. Council approved this WSDP, and a copy of the council report is contained in Appendix X.

Certification of the Chief Executive of Whakatāne District Council

I certify that this Water Services Delivery Plan:

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

Signed: _____

Name: Steven Perdia

Designation: Chief Executive

Council: Whakatāne District Council

Date: _____

Part B: Network performance

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

Investment required in water services

Serviced population

The table below sets out the population of the Whakatāne District and the population projections into the future.

Table 3. Population projections for the Whakatāne District

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2038	2043	2048	2053
Projected total district population	39,665	40,105	40,550	41,000	41,276	41,554	41,834	42,116	42,400	42,618	43,500	44,500	45,300	46,020

The population of the district was 37,150 at the 2023 Census. Roughly half the district population lives within the Whakatāne Urban Ward which includes Whakatāne, Coastlands and Ōhope. The percentage of the district population provided by this Ward is expected to increase over time. Changes in the district's population are driven by natural increase (births minus deaths) and net migration. The Whakatāne district's growth rate has lagged that of New Zealand since the turn of the millennium. Migrants have tended to move to larger urban areas. There is optimism for population growth for our district and the wider Eastern Bay of Plenty in relation to our lifestyle offering and economic development initiatives currently being progressed. At the same time, with some of our (generally smaller) communities in population decline we need to ensure that our planning is realistic and that services remain agile to adapt where needed.

Under these projections, the district could expect to have 1,250 additional households by 2034.

The next table sets out the population in the Whakatāne District that receives Council water services and the population that does not, projected through to FY34.

Table 4. Serviced population in the Whakatāne District

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projected total district population	39,665	40,105	40,550	41,000	41,276	41,554	41,834	42,116	42,400	42,618
Percentage receiving drinking water services	76%	76%	77%	77%	78%	78%	79%	79%	80%	80%

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 – drinking water	30,145	30,480	31,224	31,570	32,195	32,412	33,049	33,272	33,920	34,094
Population not receiving drinking water services*	9,520	9,625	9,327	9,430	9,081	9,142	8,785	8,844	8,480	8,524
Percentage receiving wastewater services	61%	61%	62%	62%	63%	63%	64%	64%	65%	65%
Serviced population – wastewater	24,196	24,464	25,141	25,420	26,004	26,179	26,774	26,954	27,560	27,702
Population not receiving wastewater services*	15,469	15,641	15,409	15,580	15,272	15,375	15,060	15,162	14,840	14,916
Percentage receiving stormwater services	78%	78%	79%	79%	80%	80%	81%	81%	82%	82%
Serviced population – stormwater	30,939	31,282	32,034	32,390	33,021	33,243	33,885	34,114	34,768	34,947
Population not receiving stormwater services*	8,726	8,823	8,516	8,610	8,255	8,311	7,949	8,002	7,632	7,671

*Note: The estimates of "population not receiving" a service are subject to statistical uncertainty and increases in population not receiving a service once included are unlikely.

Stormwater network services are primarily based in urban areas, but across the district, road reserves provide stormwater benefit by collecting and diverting or directing runoff and complementing overland flow networks. Only a limited number of properties in the district have direct connection to our stormwater network (less than 5%). Properties with a permitted connection are those that are subject to natural slip hazards and poor soakage. The majority of properties have onsite soak holes and detention tanks that discharge in time to the roading network, which supplements overland flow paths.

Rating for stormwater is currently based on nine defined urban networks plus a commercial network charge. A rating review is currently underway, and this may lead to a district wide contribution towards stormwater based on the services provided under reserves and within townships.

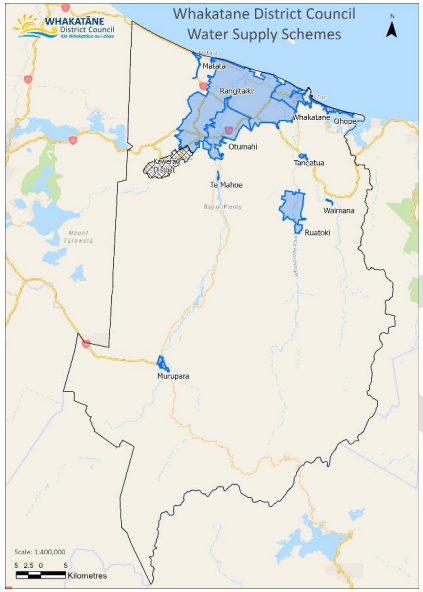
Serviced areas

Serviced areas

The maps below show the areas of the district that receive water services and the areas that do not receive water services.

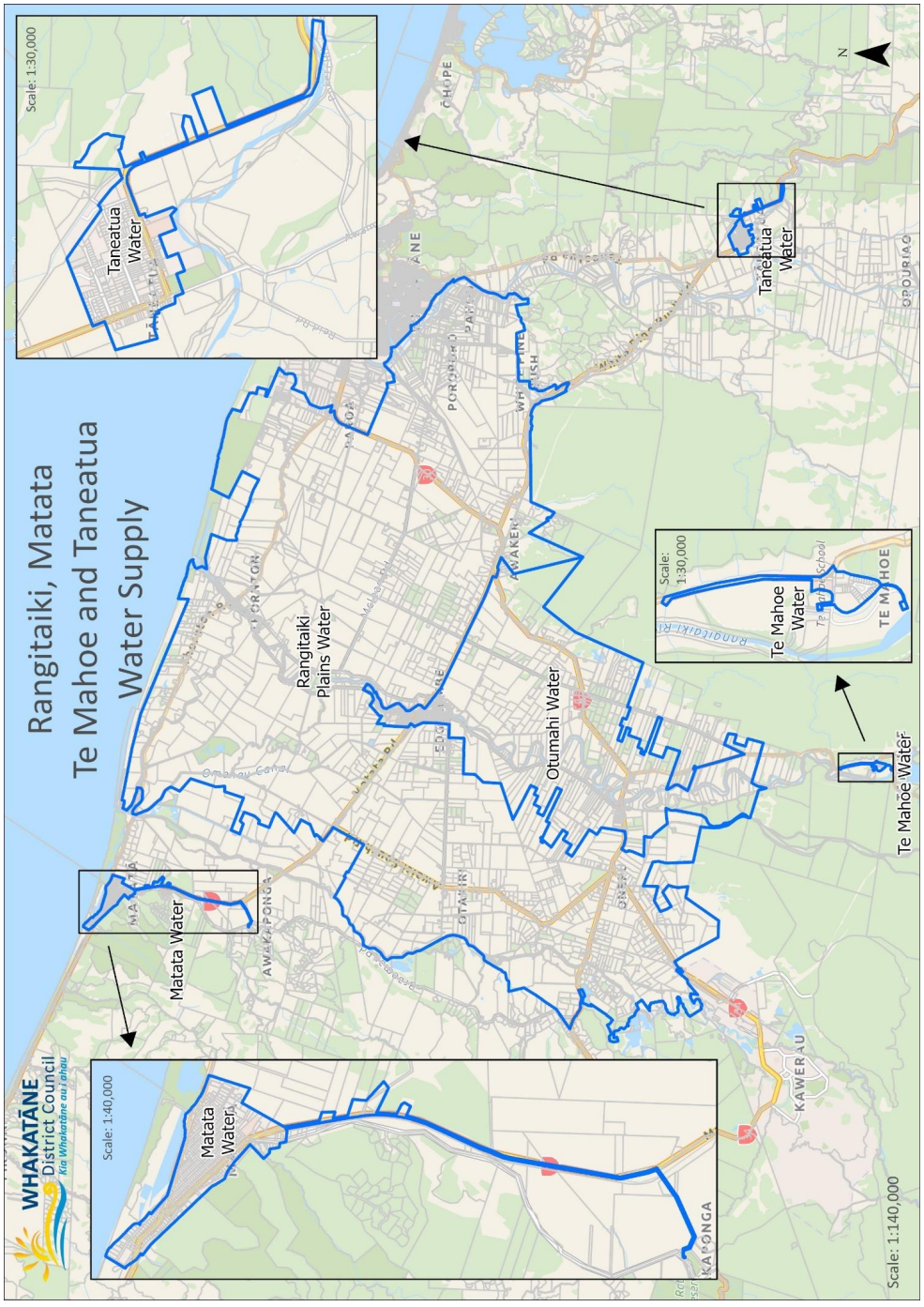
Water supply

The map below shows blue areas delineating those areas of the Whakatane District supplied with drinking water. Rural areas outside of the blue areas but within the district boundary do not have drinking water supplied by the Council. Individual water supply zone maps are shown on the following pages.

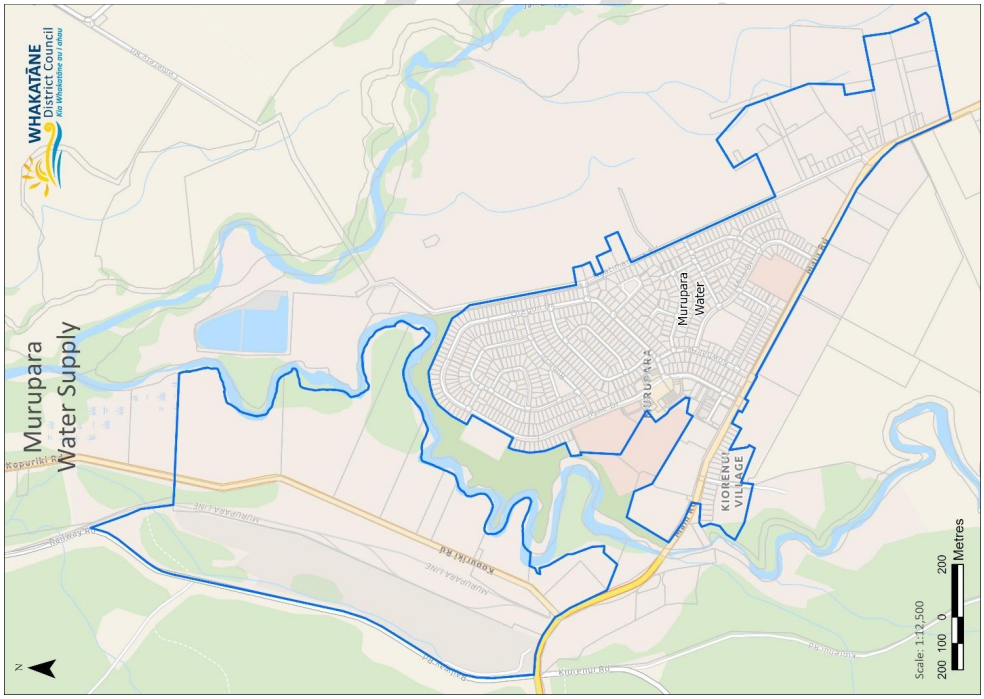


10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

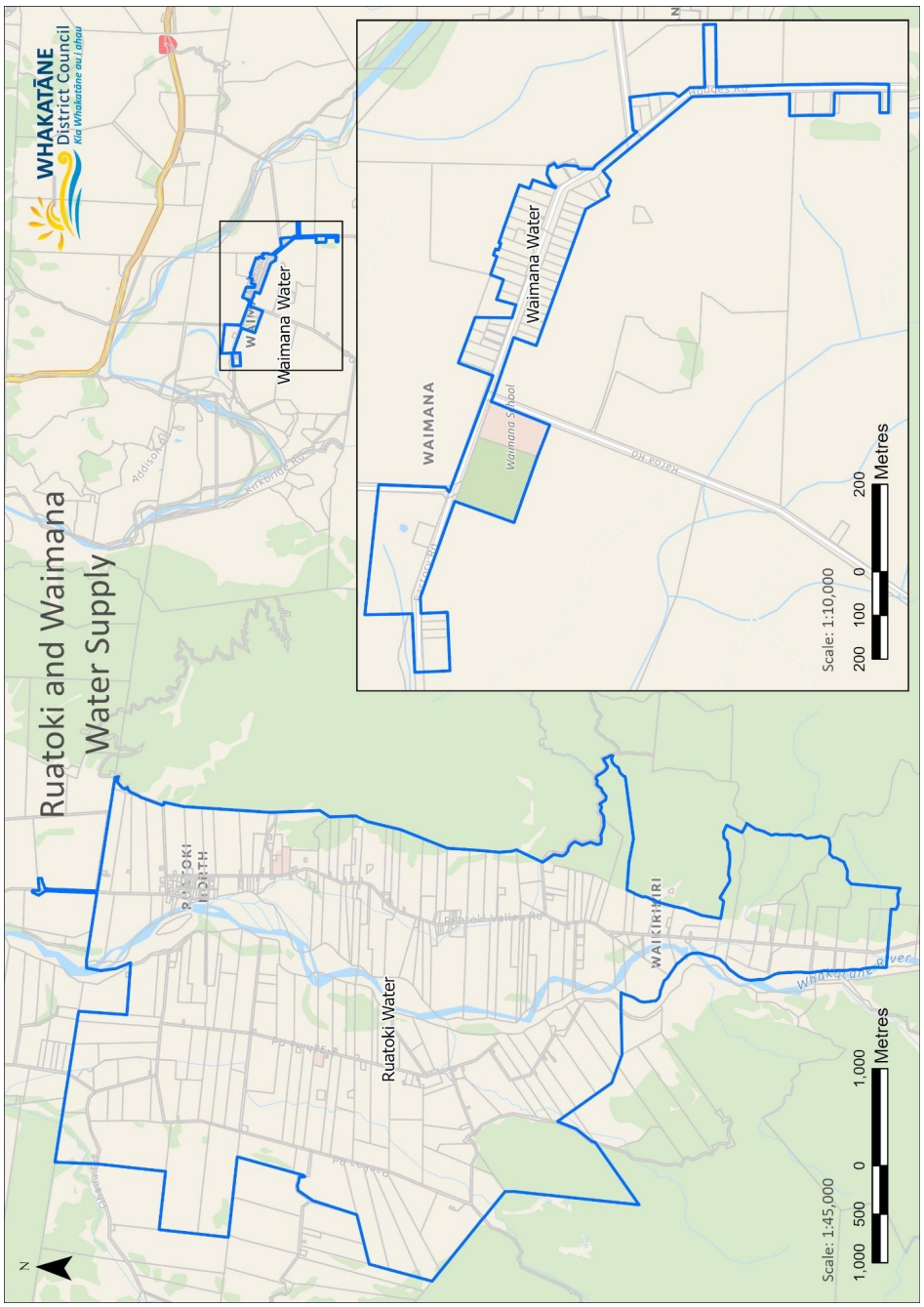
10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)



10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)



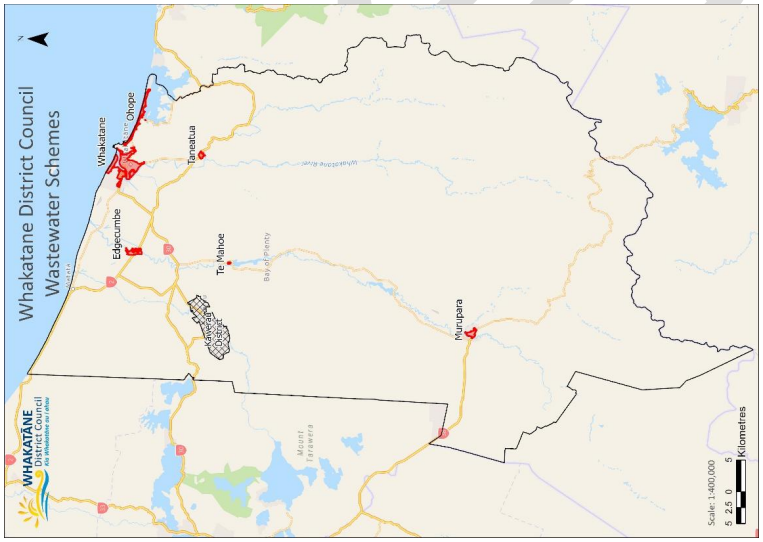
10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)



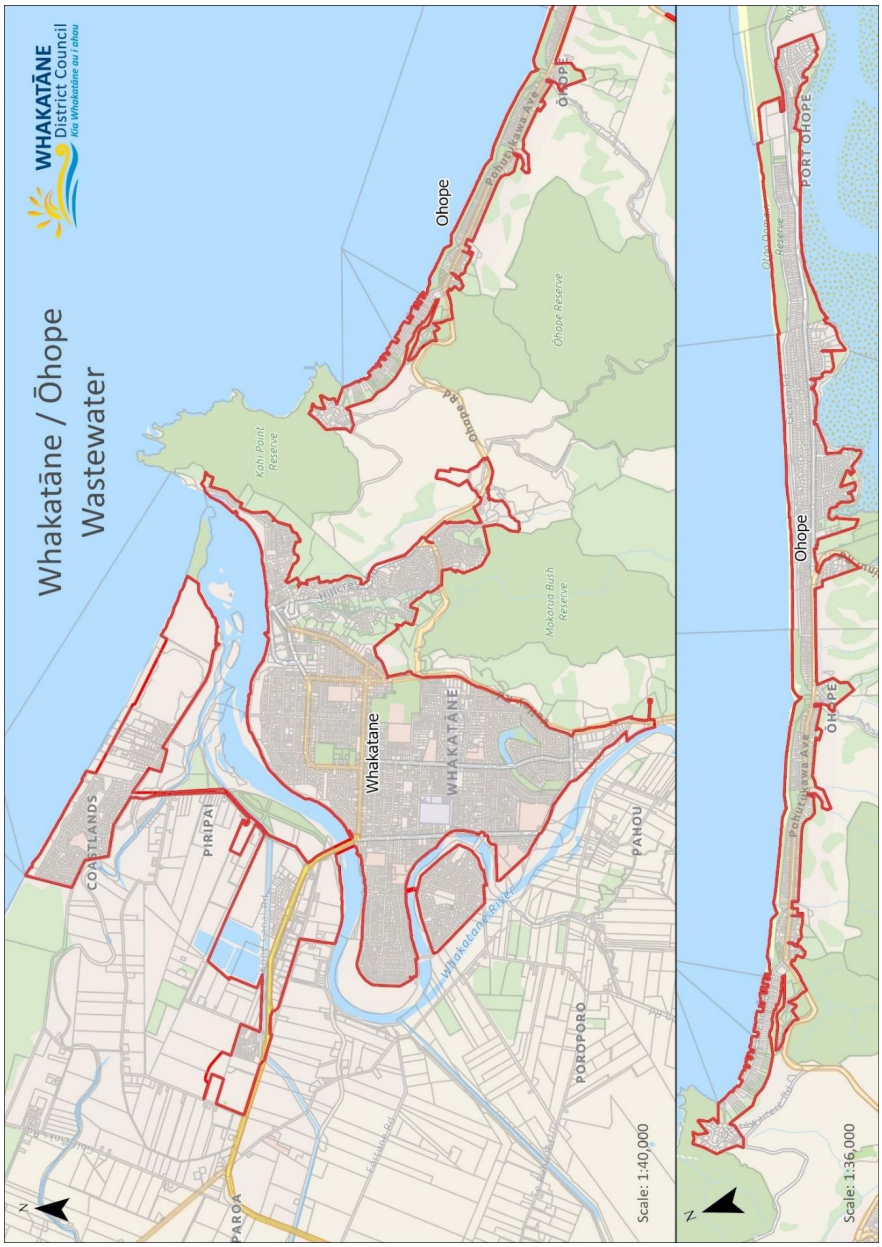
10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

Wastewater

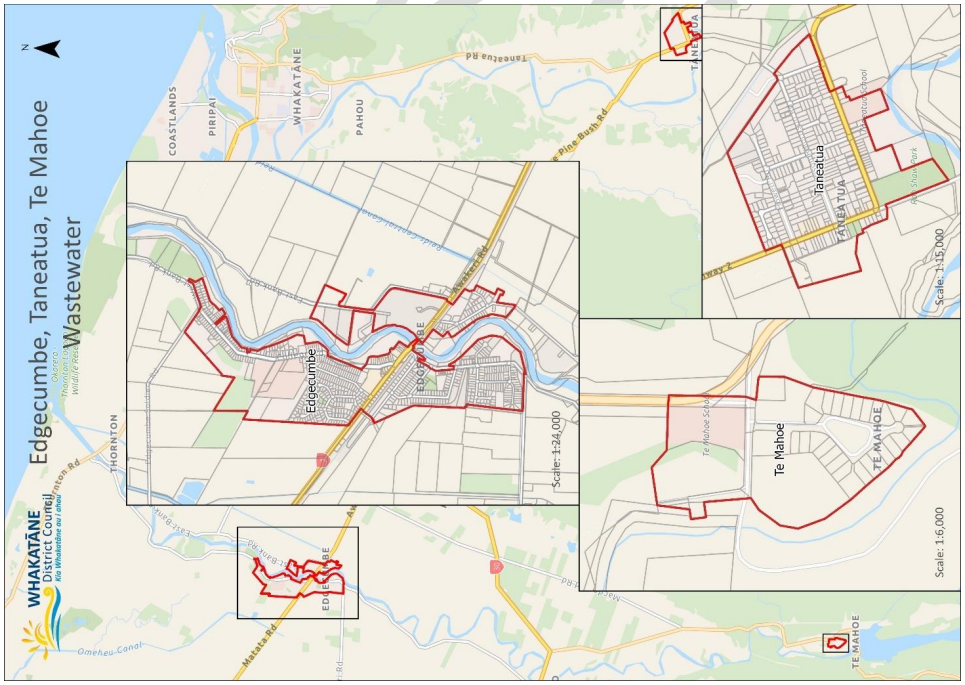
The map below shows red areas delineating those areas of the Whakatane District serviced by wastewater schemes. Rural areas outside of the red areas but within the district boundary do not have a wastewater service supplied by the Council. Individual wastewater scheme boundary maps are shown on the following pages.



10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)



10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

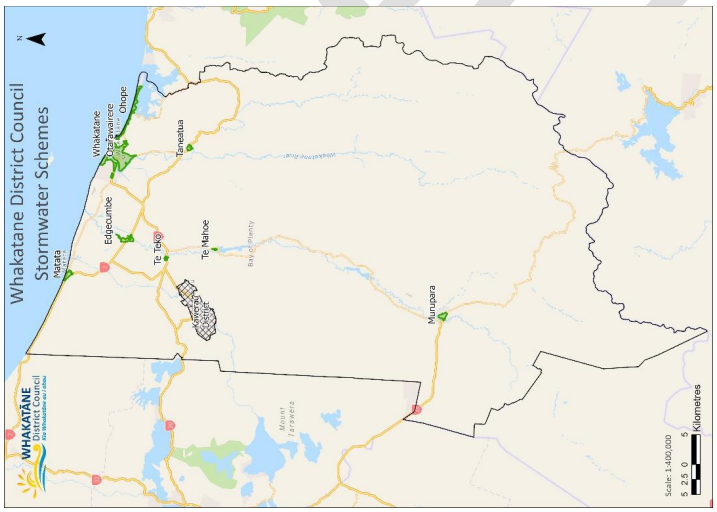


10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

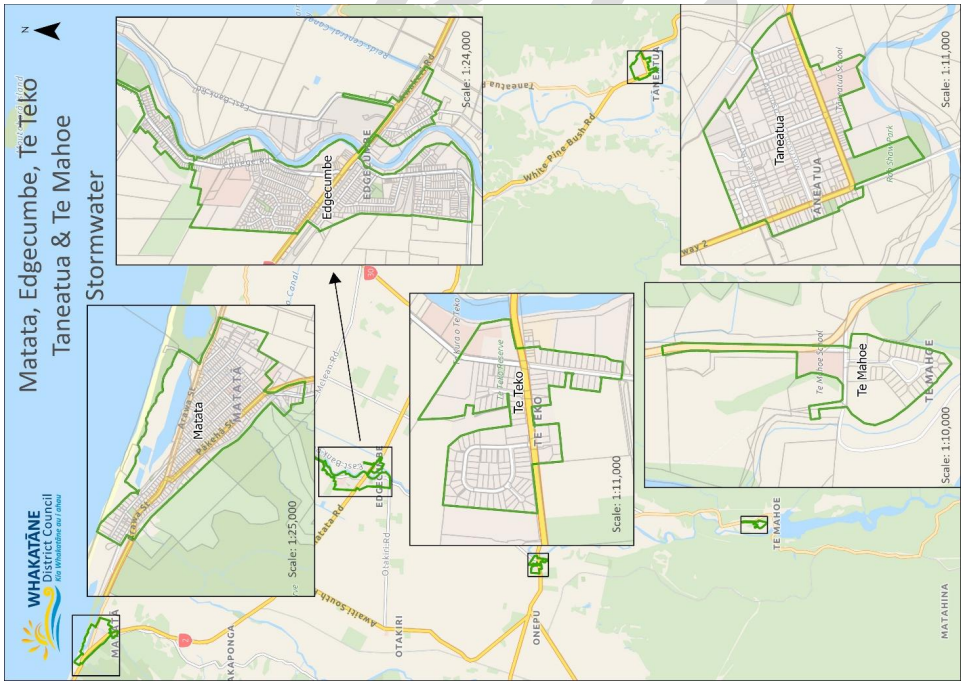
Stormwater

The map below shows green areas delineating those areas of the Whakatane District supplied with a stormwater system. Rural areas outside of the green areas but within the district boundary do not have a reticulated stormwater system supplied by the Council. Individual stormwater scheme maps are shown on the following pages.

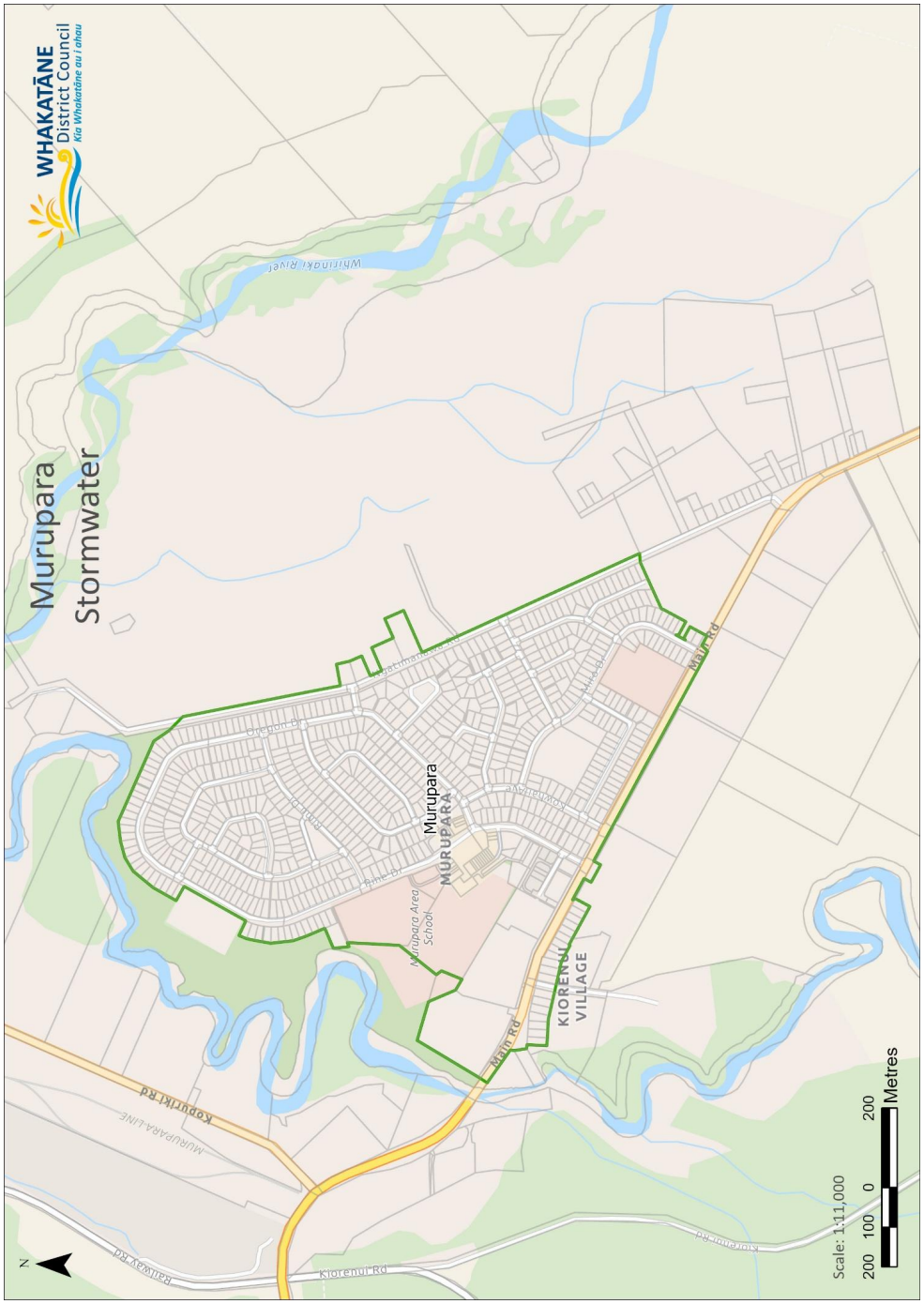


10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)



10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)



Limited knowledge is known about community water and wastewater supplies in the Whakatāne District

With large areas of our district being rural, and in some cases isolated, many households have independent systems supplying their own needs.

Council held information is being reviewed, and a project to fully understand the quantum of community supplies within the district will commence during the later part of 2025 with full understanding of independent systems by July 2026. The most recent data from 2024 indicates that two private water supplies now have customers connected to a Council controlled water supply and there are 23 private and community supplies in the district, including a range of commercial premises, schools and community supplies. Data from 2025 shows that there 67 Marae within the district. Of these, 34 are connected to a Council water supply, and only four are connected to a Council wastewater scheme. For most marae, Council does not have information on their water sources or sewage disposal systems.

The last formal Assessment of Water and Sanitary Services for Whakatāne District was undertaken in 2011 and concluded there was a lack of information on the sanitary status of small supplies in the district upon which to assess risk.

Current levels of service and performance

Water supply

Wai Comply (a drinking water quality compliance company) carried out an independent assessment of the Council's performance as a water supplier against the Drinking Water Quality Assurance Rules (DWQAR) and Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWS) for the period of 1 July 2023 – 30 June 2024. Please refer to the performance assessment summary table for a breakdown of compliance by scheme.

The Council has also engaged Wai Comply to undertake the 2024-25 assessment. The report is expected to be delivered to the Council in late-August.

Table 5. Water supply performance results

Performance measure	2024	2023	2022	Target
The extent to which Council's drinking water supplies comply with Part 4 of the Drinking Water Standards (bacteria compliance criteria)	1 scheme compliant	3 schemes compliant	5 schemes compliant	All 9 schemes compliant
The extent to which Council's drinking water supplies comply with Part 5 of the Drinking Water Standards (protozoal compliance criteria)	1 scheme compliant	1 scheme compliant	4 schemes compliant	8 of 9 schemes compliant
Notes on this table Please review 'further information on areas where rules were not met' section to place results in context of compliance rules.				

DWQAR Performance Assessment Summary

A summary of performance for Council's nine water supplies is included in the table below.

Table 6. Council performance against the Drinking Water Quality Assurance Rules from 1 July 2023 to 30 June 2024

Water supply	Component	DWQA Rule	Rule set(s)	Outcome
Whakatāne Water Supply	Whakatāne Water Treatment Plant (WTP)	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Met
		T3 Protozoa	Protozoal Rules, Conventional Filtration 4.0 log OR Conventional Filtration 3.0 log and UV Disinfection, and General Rules	Met
	Whakatāne Zone	D3	Residual Disinfection	Met
			Microbiological	Met
	Ōhope Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Matatā Water Supply	Awakaponga WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection, and General Rules	Not met
	Matatā Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Murupara Water Supply	Murupara WTP	T3 Bacterial	Chlorine, General Rules	Not met
		T3 Protozoa	Protozoal Rules and General Rules	Not met
	Murupara Zone	D3	Residual Disinfection	Not met
			Microbiological	Met
Otumahi Water Supply	Paul Rd WTP	T3 Bacterial	Chlorine, General Rules	Met
		T3 Protozoa	Protozoal Rules and General Rules	Not met
	Te Teko WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection, and General Rules	Not met

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

	Otumahi Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Rangitāiki Plains Water Supply	Braemar WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection, and General Rules	Not met
	Johnson Rd WTP	T3 Bacterial	Chlorine, General Rules	Not met
		T3 Protozoa	Protozoal Rules and General Rules	Not met
	Rangitāiki Plains Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Rūātoki Water Supply	Rūātoki WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection, and General Rules	Not met
	Rūātoki Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Tāneatua Water Supply	Tāneatua WTP	T3 Bacterial	UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection, and General Rules	Not met
	Tāneatua Zone	D3	Residual Disinfection	Met
			Microbiological	Met
Te Mahoe Water Supply	Te Mahoe WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules and General Rules	Not met
	Te Mahoe Zone	D2	Residual Disinfection	Met
			Microbiological	Met
Waimana Water Supply	Waimana WTP	T3 Bacterial	Chlorine OR UV Disinfection, General Rules	Not met
		T3 Protozoa	Protozoal Rules, UV Disinfection and General Rules	Not met
	Waimana Zone	D2	Residual Disinfection	Met
			Microbiological	Met

Table 7. Further information on areas where DWQAR were not met

Matatā Water Supply	
Awakaponga WTP	The required online UVT monitoring (DWQAR T3.15 Table 22 and T3.91 Table 32) was not in place for part of the assessment period. The Council provided evidence that online UVT monitoring was installed in November 2023.
	WaterOutlook reports indicated that the requirements for UV disinfection were not met for two out of 366 days. During these events rules related to chlorine disinfection were also not met.
Murupara Water Supply	
Murupara WTP	A protozoa barrier meeting the DWQAR was not in place for the annual assessment period. A bacterial barrier meeting the DWQAR was not in place for part of the annual assessment period. Chlorination was implemented in December 2023. For the six-month period from January to June 2024, WaterOutlook reports indicated that chlorine performance demonstration was not met for 19 out of 182 days.
Murupara Zone	Chlorine residual was not in place for part of the annual assessment period. For the six-month period from January to June 2024, there were seven results where FAC was less than 0.1 mg/L, the maximum interval between FAC samples was exceeded five times (five or six days when the requirement is not more than four days), and one week where only two samples were reported (where three per week is the requirement).
Otumahi Water Supply	
Paul Road WTP	A protozoa barrier meeting the DWQAR was not in place for the annual assessment period.
Te Teko WTP	The required online UVT monitoring (DWQAR T3.15 Table 22 and T3.91 Table 32) was not in place for part of the annual assessment period. The Council provided evidence that online UVT monitoring was installed in November 2023. WaterOutlook reports indicated that UV disinfection performance was not met for four out of 366 days. Chlorination is in place at the Te Teko WTP and contact time is provided in a reservoir. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.
Rangitāiki Plains Water Supply	
Braemar WTP	UV disinfection system was installed as part of WTP upgrades and was in place for the annual assessment period but monitoring and reporting of performance data in the form required by the DWQAR was only in place from March 2024 onwards.
Johnson Rd WTP	A protozoa barrier meeting the DWQAR was not in place for the annual assessment period. Chlorination is in place at Johnson Road WTP. There is no chlorine contact tank at Johnson Road WTP. Contact time is provided in the rising main. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.
Rūātoki Water Supply	

Rūātoki WTP	The required online UVT monitoring (DWQAR T3.15 Table 22 and T3.91 Table 32) was not in place for part of the annual assessment period. UVT monitoring was installed in November 2023. WaterOutlook reports indicated that UV Disinfection performance was not met for 14 out of 366 days. Chlorination is in place at Rūātoki WTP and contact time is provided in a reservoir. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.
Tāneatua Water Supply	
Tāneatua WTP	The required online UVT monitoring (DWQAR T3.15 Table 22 and T3.91 Table 32) was not in place for part of the annual assessment period. Online UVT monitoring was installed in November 2023. Chlorination is in place at Tāneatua WTP and contact time is provided in a reservoir. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.
Te Mahoe Water Supply	
Te Mahoe WTP	UV disinfection was only in place for part of the annual assessment period. A UV disinfection treatment system was installed in March 2024 in addition to the cartridge filtration already in place. Chlorination is in place at Te Mahoe WTP and contact time is provided in a reservoir. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.
Waimana Water Supply	
Waimana WTP	The required online UVT monitoring (DWQAR T3.15 Table 22 and T3.91 Table 32) was not in place for part of the annual assessment period. WDC provided evidence that online UVT monitoring was installed in November 2023. Chlorination is in place at Waimana WTP and contact time is provided in a reservoir. However, FAC, pH, and turbidity were continuously monitored post treatment plant, rather than at the point after the prescribed disinfection contact time has elapsed as required by the DWQAR.

Table 8. Performance measures for water supply service delivery

Performance measures (How we measure service delivery)	2024	2023	2022	Target
The total number of complaints per 1,000 connections, received by the Council about any of the following: **• Drinking water clarity** **• Drinking water taste** **• Drinking water odour** **• Drinking water pressure of flow** **• Continuity of supply** **The Council's response to any of these issues**	14.18	16.3	14.82	Less than 30 overall
	Note: The process used by the Council's afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013. *Although Council has recorded the number of planned and unplanned shutdowns to water supply, it has not recorded the number of calls received in relation to these shutdowns.* *In respect of calls received by the afterhours call centre service, Council was not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.*			
	63%	72%	69%	70%

Satisfaction with the water supply and quality of drinking water (supplied by Council) Note: Margin of error ±4%	*In 2024, four-in-five residents (79%) reported being connected to Council's water supply (similar to 78% in 2023).* ▪ *Of those residents on Council's water provision, 68% were satisfied with the supply overall (6.7 average rating), although decreasing from the recent peak of 76% in 2023.* ▪ *Differences were apparent between areas, with satisfaction notably lower in Tāneatua-Waimana. Residents aged under 65 also remained less satisfied with Council's water supply than did older residents.* *57% of residents on Council's were satisfied with quality of their drinking water, a decrease from 68% in 2023. Quality concerns were particularly noted from Galatea-Murupara and Tāneatua-Waimana residents.*			
Median response time to attend urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that the service personnel reach the site	0.47 hours	0.6 hours	0.77 hours	Less than 1 hour
Median response time to resolve urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	2.55 hours	2.92 hours	2.43 hours	Less than 8 hours
Median response time to attend non-urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel reach the site	15.65 hours	16.73 hours	18.43 hours	Less than 24 hours
Median response time to resolve non-urgent callouts for areas supplied by Council, from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	18.83 hours	20.28 hours	22.53 hours	Less than 48 hours
	419.6 litres	430.8 litres	414 litres	2023 and 2024: Less than 260 litres 2022: Less than 270 litres

Average consumption of drinking water per day per resident in the district for metered areas supplied by Council	*A number of factors can contribute to council not meeting the target, including properties with internal leaks. As council is continuing to install water meters throughout the district a number of newly metered properties have shown to have previously undetected internal leaks. Meters are installed on properties in both urban and rural areas and a number of farm connections are high water users.*			
Average consumption of drinking water per day per resident in the district for unmetered areas supplied by Council	344.9 litres	345 litres	376 litres	Less than 350 litres
Percentage of real water loss from Council - networked reticulation system for metered schemes based on the standard International Water Association (IWA) water balance	13.6%	20.7%	19%	Less than 20%
	Note: Percentage of metered properties for water systems within the Whakatāne district: Whakatāne and Ōhope 100%; Plains 100%; Murupara 5%; Rūātoki 100%; Tāneatua 94%; Matatā 9%; Waimana 100%; Te Mahoe 100%. Council staff have been trained to undertake water loss data analysis based on industry best practice, utilising the International Water Association (IWA) methodology, Benchloss New Zealand software and Water NZ Waterloss Guidelines. Real water losses are dependent upon the size of a water supply system, water pressure, total length of pipes and whether metered or unmetered. Metered supplies use the recorded production volume and the consumption volume of water, with adjustments made for expected unavoidable water losses. Small, unmetered water supplies are calculated using minimum night flow assessment reduced by the estimated night-time consumption. At times Council engages third-party consultants to review and validate Council data and processes.			
Percentage of real water loss from Council-networked reticulation system for unmetered schemes	55.2%	38.3%	42%	Less than 60%

Wastewater

Table 9. Performance measures for wastewater service delivery

Performance measures (How we measure service delivery)	2024	2023	2022	Margin of error	Target
	75%	77%	74%	+/-4%	75%

Satisfaction with the sewage system for areas supplied by the Council	*58% of surveyed residents reported being connected to Council sewerage systems. 75% of these residents were satisfied with the sewerage system (average rating 7.5); consistent with results observed over recent years. Satisfaction was notably lower in both Tāneatua-Waimana and Rangitāiki.*				
Total number of complaints received per 1,000 connections about any of the following: - sewage odour - sewerage system faults - system blockages - the Council's response to any of these issues	8	10.88	13.29	N/A	Less than 40
	The process used by the Council's afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013. In respect of calls received by the afterhours call centre service, Council was not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.				
Median response time to attend a sewage overflow resulting from a blockage or other fault in the Council's sewerage system, from the time that the Council receives notification to the time that service personnel reach the site	0.51 hours	0.67 hours	0.49 hours	N/A	Less than 2 hours
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the Council's sewerage system, from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	4.26 hours	3.75 hours	1.93 hours	N/A	Less than 8 hours
Number of dry weather sewage overflows from the Council's sewerage system per 1,000 connections to that sewerage system	1.24	0.86	1.18	N/A	Less than 3 overflows
Number of abatement notices received by the Council in relation to the resource consents for discharge from our sewerage systems	Zero	Zero	Zero	N/A	Zero
Number of infringement notices received by the Council in relation to the resource consents for discharge from our sewerage systems	Zero	Zero	Zero	N/A	Zero

Number of enforcement orders received by the Council in relation to the resource consents for discharge from our sewerage systems	Zero	Zero	Zero	N/A	Zero
Number of convictions received by the Council in relation to the resource consents for discharge from our sewerage systems	Zero	Zero	Zero	N/A	Zero

Stormwater

Table 10. Performance measures for stormwater service delivery

Performance measures (How we measure service delivery)	2024	2023	2022	Margin of error	Target
Number of flooding events in the district	No flooding event	No flooding event	No flooding event	N/A	Less than 3
	Note: The DIA requires results for these measures to be presented according to the following definitions: 'Flooding event' - an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. 'Stormwater system' - the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off, from the point of connection to the point of discharge.				
For each flooding event, the number of habitable floors affected (per 1,000 properties connected to the Council's stormwater system)	No flooding event	No flooding event	No flooding event	N/A	Less than 10
	Note: The DIA requires results for these measures to be presented according to the following definitions: 'Flooding event' - an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. 'Stormwater system' - the pipes and infrastructure (excluding roads) that collect and manage rainwater run-off, from the point of connection to the point of discharge.				
The 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	Zero	Zero	Zero	N/A	Less than 3 hours
	6.02	8.50	9.49	N/A	Less than 10

The number of complaints received about the performance of the stormwater system, expressed per 1,000 properties connected to the territorial authority's stormwater system	*Note: The process used by the Council's afterhours call centre service did not allow all calls to be recorded and classified as required by the Non-Financial Performance Measures Rules 2013. In respect of calls received by the afterhours call centre service, Council were not able to determine the volume of calls received, nor the classification in respect of events with multiple calls.*				
Number of abatement notices received by the Council in relation to the resource consents for discharge from our stormwater system	Zero	Zero	Zero	N/A	Zero
Number of infringement notices received by the Council in relation to the resource consents for discharge from our stormwater system	Zero	Zero	Zero	N/A	Zero
Number of enforcement orders received by the Council in relation to the resource consents for discharge from our stormwater system	Zero	Zero	Zero	N/A	Zero
Number of convictions received by the Council in relation to the resource consents for discharge from our stormwater system	Zero	Zero	Zero	N/A	Zero

Population growth and development capacity

Whakatāne is not a high growth district.

The Council's specific assumptions on population growth are provided above. These growth projections are considered "moderate" and therefore with respect to the Financial Strategy and organisational operating or capital expenditure, are not anticipated to have significant impact. No specific capital projects were included in the Long-Term Plan, in response to population growth demands, though allowance is made within the renewal of existing assets or capital projects to improve services to allow for what growth is anticipated.

In saying that, the three waters capital expenditure was reprofiled as part of preparing this Plan. Providing for growth is a partially contributing factor driving some investment but it is not the sole factor for any single project.

The Council has, along with Kawerau and Opotiki District Councils (and BOPRC), recently adopted the Eastern Bay of Plenty Spatial Plan. This is now being implemented through a Local Growth Strategy due to be completed in February 2026. The Spatial Plan has identified two possible growth areas within the Whakatāne District, which will now be further investigated through the Local Growth Strategy. The provision of required infrastructure will be identified and provision for three water services will generally be funded by developers of these growth areas. The Spatial Plan identifies ongoing infill development within townships with accommodating intensification development, and a growth hub in Awakeri to accommodate a possible 2,000 new dwellings. There is the possibility of some growth at Matatā which would be supported by a planned wastewater scheme, although the Council is yet to make a final decision on this project.

There is scope to explore integration of some water schemes, both for resilience purposes and for to support growth. The Council is developing a Waters Strategy, particularly focussing on the Whakatāne-Rangitāiki Plains, to support these decisions and to assist with the necessary reconsenting of several water takes and wastewater treatment and disposal consents due for renewal in 2026.

There will be capital expenditure renewal projects ongoing throughout this period and where these renewals are part of the Whakatāne-Rangitāiki Plains Waters Strategy there may be opportunistically, a growth component to be provisioned as part of the renewals construction project to accommodate.

Table 11. Information on serviced areas in the Whakatāne District

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater # schemes	Stormwater # catchments

Residential areas (If more than one, identify separately)	• Whakatāne/Ōhope - 8,311 connections (7,823 residential) • Otumahi - 1,165 connections (1,013 residential) • Rangitāiki Plains – 1,307 connections (912 rural residential) • Tāneatua – 270 connections (261 residential • Te Mahoe - 32 connections (28 residential) • Murupara - 688 connections (669 residential) • Waimana - 59 connections (56 residential) • Matatā - 273 connections (253 residential) • Rūātoki - 175 connections (152 residential)	• Whakatāne - 6,048 connections (residential, commercial, industrial) • Ōhope - 1,726 connections (residential, commercial) • Edgecumbe – 632 connections (residential, commercial, industrial) • Tāneatua – 253 connections (residential, commercial) • Te Mahoe - 27 connections (residential, commercial) • Murupara - 641 connections (residential, commercial)	• Whakatāne - 169 connections (residential, commercial, rural residential, industrial) • Ōhope (inc. Ōtarawairere) - 263 connections (residential, rural residential, commercial, industrial) • Edgecumbe (soakage) - 0 connections (residential, industrial, commercial) • Te Teko (soakage) - 0 connections (residential, commercial) • Tāneatua (soakage) - 0 connections (residential, commercial) • Te Mahoe (soakage) - 0 connections (residential, commercial) • Murupara (soakage) - 0 connections (residential, commercial) • Matatā (soakage) - 0 connections (residential, commercial)

Non-residential areas (If more than one, identify separately)	• Whakatāne/Ōhope 488 - commercial, rural residential & industrial connections • Otumahi - 152 rural residential, commercial & industrial connections • Rangitāiki Plains – 395 rural agriculture (dairy) & commercial connections • Tāneatua – 9 rural residential & commercial connections • Te Mahoe - 4 commercial & dam connections • Murupara - 20 rural residential & commercial connections • Waimana – 3 rural residential & commercial connections • Matatā – 20 rural residential & commercial connections • Rūātoki - 23 rural residential & commercial connections		
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	None	n/a	n/a

Areas that do not receive water services (If more than one, identify separately)	Rural areas through the district	• Rural areas through the district • Rūātoki • Waimana • Matatā • Rangitāiki Plains	• Rural areas through the district • Rūātoki • Waimana • Rangitāiki Plains
Proposed growth areas • Planned (as identified in district plan) • Infrastructure enabled (as identified and funded in LTP)	• Whakatāne Plan Change 8 – 175 HEU • Infrastructure from Developers	• Whakatāne Plan Change 8 – 175 HEU • Infrastructure from Developers	• Whakatāne Plan Change 8 – 175 HEU • Infrastructure from Developers

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

Overview of asset condition and lifespan

Table 12. Overview of asset condition

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets	Average age of pipe network is 35 years	Average age of pipe network is 49 years	Average age of pipe network is 43 years
Critical Assets	**11 water treatment plants**: Whakatāne, Paul Road, Tahuna, Johnson Road, Braemar, Te Mahoe, Tāneatua, Awakaponga, Rūātoki, Waimana, Murupara **23 water storage reservoirs**: Whakatāne A, Whakatāne B, Whakatāne C, Ōtarawairere, Ngāti Awa, Melville, Kowhai A, Kowhai B, Braemar, Matatā A, Matatā B, Awakeri, Tahuna, Te Mahoe, Tāneatua A, Tāneatua B, Rūātoki A, Rūātoki B, Waimana A, Waimana B, Murupara A, Murupara B, Murupara C **5 water pumping stations**: Brider Glade, Melville Drive, Ōtarawairere, Pukiti and Matatā	**6 wastewater treatment plants**: Whakatāne, Coastlands; Ōhope; Edgecumbe; Te Mahoe; Tāneatua; Murupara **12 pond facilities**: Whakatāne (4) 28ha; Ōhope (4) 6.4ha; Edgecumbe (2) 3.5ha; Te Mahoe (field) 0.5ha; Murupara (2) 7.2ha; Tāneatua (2) 4.8ha **49 wastewater pumping stations**	**20 pump stations** **21 storage/retention ponds** **59 floodgates** **21km of open channels**

Above ground assets • Percentage or number of above ground assets with a condition rating • Percentage of above –ground assets in poor or very poor condition	**11 treatment plants, 23 storage reservoirs, 5 water pumping stations** 95% of above ground water supply assets have a condition rating 19% of above ground water supply assets are in poor or very poor condition	**6 treatment plants, 12 pond facilities, 49 wastewater pumping stations** 92% of pump stations and treatment plants have a condition rating. 30% of above ground wastewater assets have components that are in poor or very poor condition.	**20 pump stations, 21 storage/retention ponds, 59 floodgates** 17 of stormwater pumping stations have a condition rating of good to very good and the remaining 3 pumping stations don't have a condition score within the asset management system.
Below ground assets • Total Km of reticulation • Percentage of network with condition grading • Percentage of network in poor or very poor or non-graded condition	612 km of pipe 95% of the network has a condition grading 15% of the network is in poor or very poor condition, or has not been graded	248 km of pipe 95% of the network has a condition grading 10% of the network is in poor or very poor condition, or has not been graded	94 km of pipe (does not include drains, open channels or streams) 70% of the network has a condition grading 37% of the network is in poor or very poor condition, or has not been graded

Valuation of assets

Table 13. Valuation of assets: 2023 (uninflated dollars)

Activity	GRC	DRC	AD
Stormwater	$129,479,261	$77,068,718	$1,345,121
Wastewater	$115,914,855	$48,936,606	$1,436,377
Water	$209,370,507	$119,211,234	$2,493,988
3 Waters	**$454,764,623**	**$245,216,558**	**$5,275,486**

Activity	GRC	DRC	AD
Stormwater	$30,530,390	$14,550,156	$489,162
Wastewater	$91,247,554	$38,503,641	$1,217,646
Water	$77,505,644	$25,483,203	$1,866,744
3 Waters	**$199,283,588**	**$78,536,999**	**$3,573,551**

GRC = Gross Replacement Costs

DRC = Depreciated Replacement Cost

AD = Annual Depreciation

Water supply asset condition

Water supply asset condition overview

Water supply assets are relatively younger than for wastewater and stormwater with peak installation during the 1990s.

There is good understanding of the condition of all water supply assets. Approximately 95% of the piped drinking water supply network has a condition rating based on age of asset (2020 WSP assessment) or by pipe samples (ongoing CT scan of pipes), and around 15% percent falls into the poor or very poor or non-graded category based on the International Infrastructure Management Manual (IIMM) principles and age.

13% of Council's reservoirs have been assessed as being in poor or very poor condition.

Table 13. Water supply asset condition information

Condition of piped water supply assets (2024) by length – trunk, main, scour	Condition of piped water supply assets (2024) – rider, riser	Water supply piped assets	Count of water supply assets in poor or very poor condition (2024)

Table 1145. Water supply asset age summary

Water supply		% of asset stock	Average age	Average life remaining
Linear	Asbestos Cement	22%	53	12
	PVC/PE	72%	30	70
	Other	5%	41	39
Point and plant		28%	27	17

- 1 % unknown of the linear water pipe network. These are not represented in the above table due to missing asset data.

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

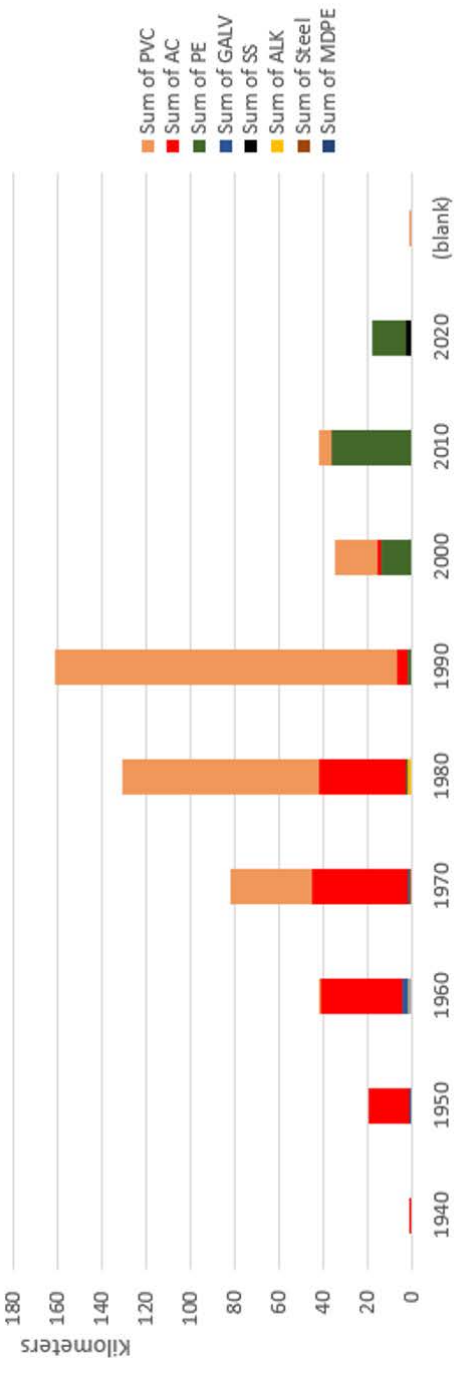


Figure 2. Whakatāne District water pipe material by year of installation

The average age of water pipelines is based on regulator guidelines as shown below:

2.32 AVERAGE AGE OF WATER PIPELINES (years) WSA3 [Taumata Arowai Code:R9]

Weighted average age of all water pipelines within all of the network operators drinking water networks. This should be calculated by taking into account the length and age (in years) of pipelines as follows.

$$\frac{\sum(length\ of\ pipeline\ \times age\ of\ pipeline)}{\sum length\ of\ pipeline}$$

Linear assets

We have assigned condition ratings to most of the piped assets for drinking water. These were derived from the 2020 condition assessment based on the remaining useful life and pipe material. The assessment was based on actual pipe sample data from our pipe network within the region and using deterioration modelling.

Point assets – Reservoirs

In 2020, the Council engaged consultants to complete condition, seismic and isolation assessment for concrete and timber reservoirs.

Point assets – Plants

With a couple of exceptions, our drinking water treatment plants produce drinking water every single day. Our drinking water treatment plants are considered to be in good to very good condition. Council has critical spares on hand and has built resilience into water treatment plants.

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

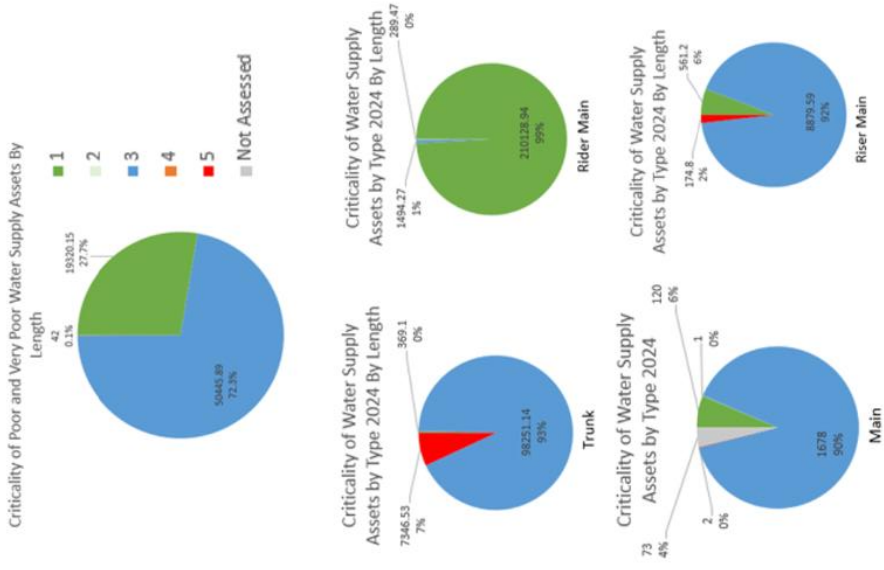


Figure 3. Summary of condition of critical water supply assets

Wastewater asset condition

Wastewater asset condition overview

Wastewater assets are generally older than both water supply and stormwater assets, with the peak decade of installation occurring in the 1960s.

There is good understanding of the condition of the piped wastewater network, with condition assessments completed for 95% of assets. Only 10% of these assets are assessed as being in poor or very poor condition or are non-graded based on IIMM principles and asset age.

A condition assessment programme for wastewater pumping stations was undertaken in 2024, which found that with 42% of pumping stations having components assessed as being in poor or very poor condition.

Treatment plants, most of which are simple oxidation pond systems, have not been condition assessed and are nearing the end of their consented lives. The exception to this is Te Mahoe, which has sand filters and a land application field.

A significant proportion of both wastewater and water supply pipes are older asbestos cement pipes (22% and 38% by type respectively). These pipes pose a resilience problem for Council, as they become brittle with age and are prone to longitudinal cracking, which makes repairs difficult.

Table 1156. Wastewater asset condition information

Condition of piped wastewater assets (2024) by length – rising	Condition of wastewater assets (2024) – trunk, gravity, scour	Wastewater piped assets	Count of wastewater assets in poor or very poor condition (2024)

Table 1167. Wastewater asset age summary

Wastewater		% of asset stock	Average age	Average life remaining
Linear	Asbestos Cement	38%	55	10
	PVC/PE (Plastics, etc.)	27%	29	71
	Other (Earthenware, concrete, steel, etc.)	33%	61	39
Point and plant		44%	27	26

- 2 % unknown of the linear wastewater pipe network. T, these are not represented in the above table due to missing installed asset data attribute.

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

Figure 4. Whakatāne District wastewater pipe material by year of installation

The average age of wastewater pipelines is based on regulator guidelines as shown below:

3.30 AVERAGE AGE OF WASTEWATER PIPELINES (years) WWA3

Weighted Average Age of All Pipelines within the total wastewater serviced area.

This should be calculated by taking into account the length and age of pipelines as follows.

$$\frac{\sum(length\ of\ pipeline\ \times age\ of\ pipeline)}{\sum length\ of\ pipeline}$$

Linear assets

We have assigned condition ratings to most of the piped assets for wastewater. These were derived from the 2020 condition assessment based on the remaining useful life and pipe material. The assessment was based on actual pipe sample data from our pipe network and within the region and using deterioration modelling.

In addition to this work, we have in-house CCTV capabilities and undertake gravity pipe inspections throughout the wastewater network. These assessments are uploaded onto a digital platform 'ReticManager' and further interrogation of this data gives detailed analysis of pipe condition.

Point assets

Wastewater point assets include pump stations and treatment plants. Pump stations operate many times per day making any performance issue immediately noticeable. In addition, we engaged external expertise to carry out a higher-level analysis of pump station condition with a view to identifying possible upgrade works.

The treatment plants are known to be of a rudimentary mid-20th century style. Individual components are on maintenance schedules and have been operating for many years with ongoing maintenance. We are in the process of securing critical spares for treatment plant mechanical items to assist if any unforeseen breakdowns occur.

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

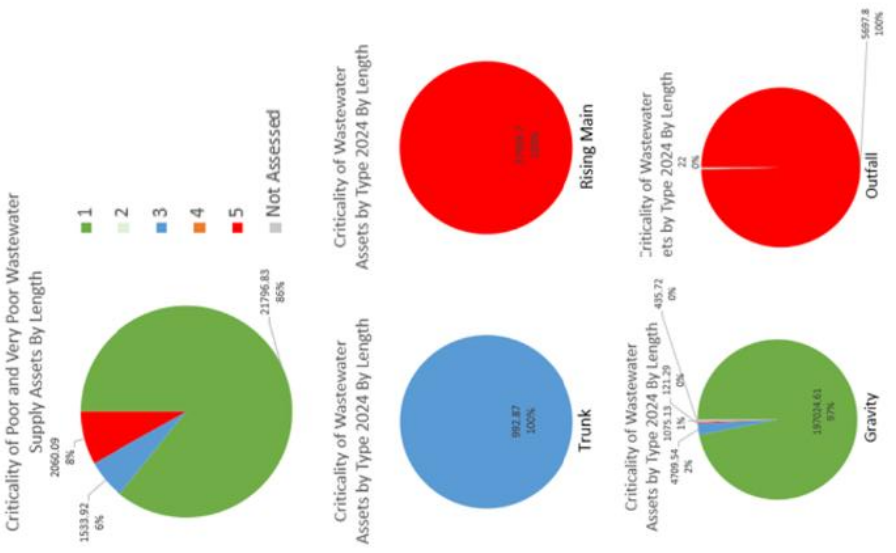


Figure 5. Summary of condition of critical wastewater assets

Stormwater asset condition

Stormwater asset condition overview

While relatively young by New Zealand standards, portions of the network are now 'mature'. The 1970s was the decade with the greatest installation length.

There is relatively good understanding of the condition of above ground stormwater assets (e.g. pumps and floodgates) with over 70% been assessed but poor understanding for underground piped stormwater assets. Around 38% of the assessed piped network has been categorised as being in poor or very poor condition or is non-graded based on IIMM principles and age. Ongoing CCTV programmes will assist further verification of the condition of piped assets.

Stormwater drainage assets differ from drinking and wastewater assets in that they are predominately concrete. Concrete is generally robust with a long lifespan.

Table 18. Stormwater asset condition information

Condition of piped stormwater assets (2024) by length – trunk, gravity, rising	Condition of piped stormwater assets (2024) – culvert, drain	Stormwater piped assets	Count of stormwater assets in poor or very poor condition (2024)

Table 19. Stormwater asset age summary

Stormwater		% of asset stock	Average age	Average life remaining
Linear	Concrete	83%	44	36
	Plastic	6%	20	80
	Other	1%	38	41
Point and plant		44%	27	26

- 10% unknown of the linear storm water pipe network. These are not represented in the above table due to missing asset data.

The average age of stormwater pipelines is based on regulator guidelines as shown below:

4.9 AVERAGE AGE OF STORMWATER PIPELINES (years) SWA3

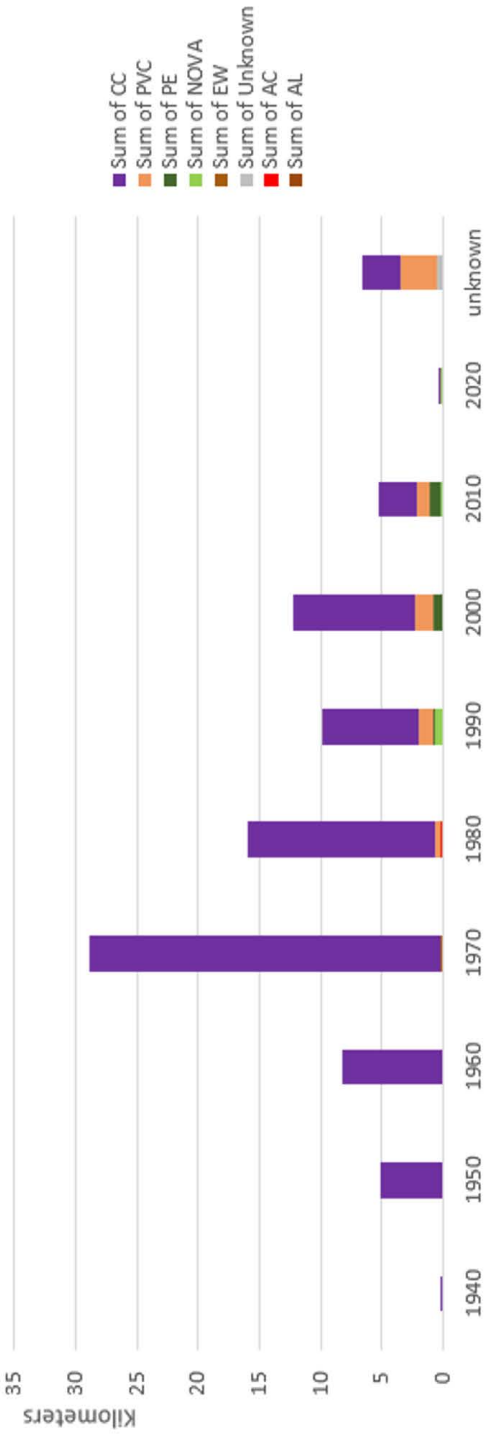
Weighted Average Age of All Pipelines within the total stormwater serviced area.

This should be calculated by taking into account the length and age of pipelines as follows.

$$\frac{\sum(length\ of\ pipeline \times age\ of\ pipeline)}{\sum length\ of\ pipeline}$$

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

Figure 6. Whakatāne District stormwater pipe material by year of installation



Linear assets

We have assigned condition ratings to most of the piped assets for stormwater. These were derived from the 2020 condition assessment based on the remaining useful life and pipe material. The assessment was based on actual pipe sample data from our pipe network and within the region and using deterioration modelling.

In addition to this work, we have in-house CCTV capabilities and undertake gravity pipe inspections throughout the stormwater network. These assessments are uploaded onto a digital platform 'ReticManager' and further interrogation of this data gives detailed analysis of pipe condition.

The open drain and overland flowpath network also comprise a vital part of the stormwater network. Because the assets are all visible their condition is relatively easy to discern at any time. In general, regular maintenance identifies any condition abnormalities and maintenance interventions required.

Point assets

Stormwater point assets include mainly pump stations and detention/retention treatment ponds. Pump stations operate much less frequently than wastewater pump stations meaning that a different operating regime is required. We assessed stormwater pumpstation condition and capacity for our critical older stations.

The ponds are passive assets designed to operate without human intervention. Individual components are on maintenance schedules and operate routinely. Their performance is of vital importance during rainfall events hence their performance characteristics and condition are generally very well known.

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

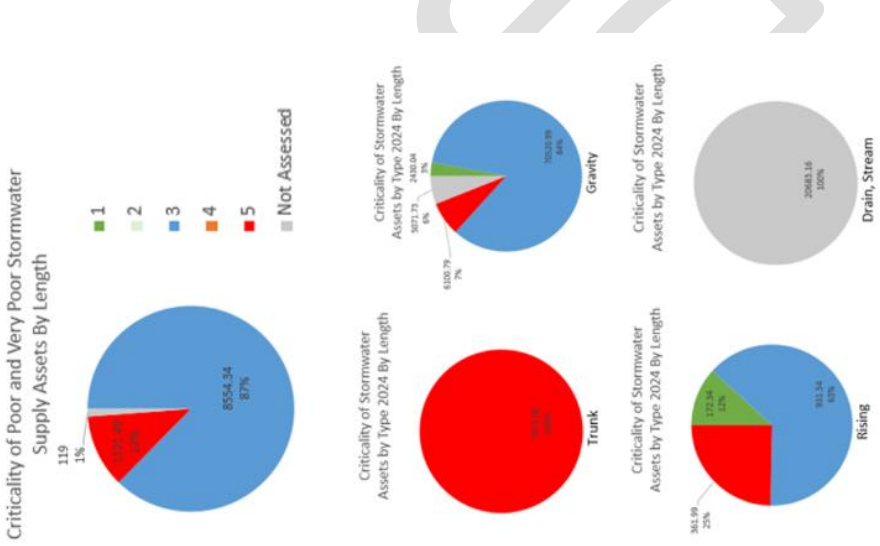


Figure 7. Summary of condition of critical stormwater assets

Comments on criticality

Critical assets are defined as those which have a high consequence of failure causing significant loss or reduction in service provision. Typically, assets that service more customers or facilities have a higher criticality rating, e.g. hospitals, schools, emergency centres.

A high-level list of three waters asset types and their typical level of criticality in providing services is shown in the following table: Level 5 indicates the most critical asset. Level 1 indicates the least critical asset.

Table 20. Water supply asset criticality overview

Asset type	Description of criteria	Base approach critical rating
Pipes	Less than 100mmØ 100mmØ to 300mmØ Greater than 300mmØ All falling and rising mains to and from sources, reservoirs and pump stations Pipes that are important to supply critical customers Single pipes serving more than 1,000 customers Potential pipe failures which may cause significant social, environmental or economic impact	Low (1) Medium (3) High (5) High (5) High (5) High (5) High (5)
Valves	Valves located along the critical water pipes All other valves	High (5) Low (1)
Pumpstations	Water pumpstations without resilience (i.e. no backup alternative power supply) Water pumpstations with resilience (i.e. backup alternative power supply)	High (5) Medium (3)
Reservoirs	All water reservoirs	High (5)
Treatment plants	All water treatment plants	High (5)

Table 2117. Wastewater asset criticality overview

Asset type	Description of criteria	Base approach critical rating
Pipes	Less than 250mmØ 250mmØ to 375mmØ Greater than 375mmØ All rising mains Outfall mains Potential pipe failures which may cause significant social, environmental or economic impact	Low (1) Medium (3) High (5) High (5) High (5) High (5)
Valves and fixtures	All – including air, non-return, isolation valves	High (5)
Manholes	Manholes on critical pipes (pipes greater than 375mmØ) All other manholes	High (5) Low (1)
Pumpstations	Wastewater pumpstations without resilience (i.e. no backup alternative power supply and/or by-pass pumping arrangement) Wastewater pumpstations with resilience (i.e. backup alternative power supply, by-pass pumping arrangement)	High (5) Medium (3)
Treatment plants / Oxidation Pond	All	High (5)

Table 2182. Stormwater asset criticality overview

Asset type	Description of criteria	Base approach critical rating
Pipes	Less than 150mmØ 150mmØ to 600mmØ Greater than 600mmØ	Low (1) Medium (3) High (5)
Open drains/channels, stream & watercourse banks	Minor drains/channels Medium drains/channels, minor stream & watercourse banks Large drains/channels, all other stream & watercourse banks	Low (1) Medium (3) High (5)
Stormwater outlets	Stormwater outlet to 'dry' stream/watercourse Stormwater outlet to 'wet' stream/watercourse	Low (1) High (5)
Storage Pond/ retention dams	Dry Wet	Low (1) High (5)

Manholes	Manholes on critical pipes (pipes greater than 600mmØ) All other manholes	High (5) Low (1)
Floodgates and wingwalls	Floodgates and wingwalls at 'dry' locations Floodgates and wingwalls at 'wet' active locations	Low (1) High (5)
Pump stations	All	High (5)

Comments on renewals

The Council's renewal approach aims to renew assets when they reach the end of their useful lives. Proactive renewal work has primarily targeted those assets assessed as being in poor or very poor condition. Renewal decision making is not simple given the variety of factors that need to be weighed.

The Council is developing a renewals framework for piped assets based on international and local standards to support renewals decisions. The framework allows decision makers to weigh:

- most recent physical condition assessment, based on pipe sampling, CCTV and opportunistic in field assessment
- the consequence and likelihood of failure – including social, environmental and economic impacts, and based on understanding of the condition and performance of the assets
- capacity requirements of the network – for future growth and current constraints
- opportunities for cost efficiency – for example, planned roading upgrades, adjoining pipe network renewals, etc.

In the context of determining our LTP, Council decided to defer investment, including reducing renewals of existing assets down to 70 percent of what the needs-based Asset Management Plan recommends.

Renewals backlog

In recent years, water infrastructure renewals have fallen short of depreciation, indicating that asset age is increasing, potentially indicating a deterioration in asset condition that may impact on future levels of service.

Council analysis estimates a $96 million renewals backlog:

- Water supply – $55.8 million
- Wastewater – $36.7 million
- Stormwater – $3.3 million.

These estimates are based on assets' theoretical end-of-life rather than actual asset performance.

Renewals and depreciation

While renewals investment requirements are lumpy over time, reflecting the uneven pattern of historic development, over the longer-term renewals investment should come into line with the level of depreciation expense. We note that depreciation is based on asset replacement values that make no allowance for asset optimisation (e.g. relining pipes rather than full asset replacement).

The Council spent $25 million on three waters renewals over the last six years compared with depreciation expense of $39 million (renewals capex averaging of 64% depreciation).

Over the next ten years, the Council is planning to spend $156.4 million on renewals (in nominal/inflated terms).

Asset management approach

Current service delivery model and asset management practices

Inhouse resources

Water services have been primarily delivered by the Three Waters team located within the Council's Infrastructure Group.

The Three Waters Manager leads a team of approximately 35 staff delivering:

- Operations and maintenance
- Asset management
- Capital works delivery (project management)
- Administration support (trade waste and meter reading sit in this group).

Compliance monitoring and reporting, including managing resource consents, sits in the Planning, Regulatory and Infrastructure Group.

A number of other teams across the Council support the delivery of water services, including but not limited to finance (budgeting and financial reporting, rates, and procurement), information services (systems), and strategy (strategies, planning and reporting).

The following table shows the parts of Council with responsibility for areas of service delivery.

Table 2193. Whakatāne District Council service delivery model for three waters

Service delivery function	Internal service delivery team	Internal capabilities	External service delivery
Design	Project Management and Asset Teams – concept design	Currently 9 FTE across the two teams	Local consultants for detailed and construction design
Construct	New capex delivery via procurement process Council procurement team	Project Management team to manage delivery Will establish Service Agreement with Council proper for procurement team	Local contractors and water industry market delivery
Operate	Three waters operational and maintenance teams Customer services team	Currently 25 FTE across the three teams Will establish Service Agreement with Council proper for procurement team	Local contractor to monitor SCADA systems After hours Request for Services (RFS) via external contractor
Maintenance	Three waters operational and maintenance teams	Currently 25 FTE across the three teams	Local contractor for SCADA systems activities Local contractors for Three Waters "Green Space' activities New Zealand contractor for Asset Management System upgrades
Planning and reporting	Asset Team for planning and WDC corporate services for assistance with reporting	Currently 5 FTE within Asset Team and regulatory compliance Will establish Service Agreement with Council proper for reporting	Consultants
Financial management	Rates team for billing Financial Team with support from Asset Team	Will establish Service Agreement with Council proper	Contractors for Valuation process

Regulatory compliance	Internal operations staff for regulatory sampling. Compliance officers for regulatory requirements Trade Waste Officer	Internal operations staff for regulatory sampling. Compliance officers for regulatory requirements, trade waste	NATA accredited laboratories for sampling Consultants for laboratory compliance reporting Consultants for Audit compliance component

Asset Management Plan

The Council has a single Asset Management Plan across the waters which was developed under the framework provided by the International Infrastructure Management Manual (IIMM) 2020. IIMM is the global benchmark for infrastructure asset management.

The objectives of this plan are to:

- Set out how we prioritise investment for infrastructure assets including how we renew current infrastructure and plan for new assets.
- Highlight our approach to managing long life assets by providing clear descriptions, objectives and targets for them.
- Be transparent with our stakeholders, particularly around the risks inherent in our networks and the systematic processes in place to mitigate those risks.
- Explain the challenges we face as an organisation and how these will be addressed by our funding application.
- Demonstrate the links between the plan objectives, our Asset Management Policy, Strategic Asset
- Management Plan, corporate goals, business planning processes, and plans.
- Provide visibility of forecast investment programmes to external users of the plan.
- Provide updates to stakeholders on improvements to our asset management practices.

The current asset management approach is set out in the Asset Management Plan. The approach to asset maintenance and renewals is described above.

Outsourced delivery

The Council contracts delivery of capital projects to suitable providers.

The current service delivery model will continue with improvements

WDC intends to deliver water services through an inhouse business unit until 30 June 2028 at the earliest. Therefore, the arrangements for service delivery will continue. It is important to note some recent changes have been made to strengthen water services delivery.

The Council is making strategic shifts to procurement and project delivery processes that will assist capital delivery. The project budget allocation process has been changed requiring activity managers to phase project budgets by stages instead of solely at project onset. An infrastructure PMO went live in April 2025 which will assist water services project managers deliver projects and provide improved visibility of the team's progress towards delivering the three waters capital programme. The PMO system assists making proactive decisions concerning matters such as resourcing constraints, cost escalations, and schedule shifts. A new Enterprise Project Management Office has also now been established within Council to uplift overall project management maturity and facilitate successful project delivery. Further, a panel of 3 general managers has been formed that meet regularly to review procurement requests and practices. The changes are anticipated to bolster Council's capability to achieve its capital expenditure programme moving forward. Nevertheless, some level of carry forwards can be anticipated each year as several of the larger budgeted capital projects involve a variety of options and community agreement components before planning and delivery of capital works can occur.

Comment on asset management maturity

We assess our current level of maturity to be moderate. A future action is to apply a formal maturity model and broaden this assessment in order to validate the level of maturity. This will also reveal focus areas and discrete actions to be adopted.

Statement of regulatory compliance

Resource consents

The tables below set out the status of key resource consents.

Table 24. Resource consents relating to drinking water supply

Permit Number	Permit Activity Type	Permit Purpose	Permit Location	Permit Granted Date	Permit Expiry Date
20094	Take	Take and use water for the purpose of water supply to Edgecumbe Township and Rangitāiki Plains	Braemar Spring, adjacent to left bank of Tarawera River	5/04/1973	1/10/2026

Permit Number	Permit Activity Type	Permit Purpose	Permit Location	Permit Granted Date	Permit Expiry Date
20114	Take	Take and use water from an underground stream for public water supply purposes	An underground stream adjacent to the Rangitāiki River situated in State Forest No.1 Murupara	6/09/1973	1/10/2026
20198	Take	Take and use water from the Whakatāne river for a municipal water supply and also a right to discharge wastewater to the river	Adjacent to Whakatāne Water Treatment Plant	3/07/1975	1/10/2026
20280	Take	Take water from a spring at Awakaponga for community water supplies	Spring, Manawahe Road, Awakaponga	2/12/1976	1/10/2026
20283	Take	Take water from a well for the Waimana water supply	Well on the Grantee's Property at Hodges Road Waimana	2/12/1976	1/10/2026
21044	Take	Take water from bores adjacent to the Waimana River for the Tāneatua Town water supply	Bores adjacent to the Waimana River	2/12/1982	1/10/2026
62627	Take	Take water from a bore for community water supply	Rūātoki	14/06/2004	Continuing under Section 124 of the RMA
66359.0.02-WT+	Take	Take and use of groundwater from bore BN-11692 for municipal supply of the Whakatāne District Council's reticulation system, at 124 Paul Road, Te Teko	124 Paul Road, Te Teko	1/11/2010	30/09/2045
66359.0.03-WT	Take	Take and use of groundwater from bore BN21-0079 for municipal supply of the Whakatāne District Council's reticulation system, at 124 Paul Road, Te Teko	124 Paul Road, Te Teko	1/11/2010	30/09/2045
RM15-0017-WT.01	Take	Take of water for municipal supply	58A Johnson Road, Otakiri	15/12/2016	31/12/2031
RM15-0017-WT.02	Take	Take of water for municipal supply	58A Johnson Road, Otakiri	15/12/2016	31/12/2031

Permit Number	Permit Activity Type	Permit Purpose	Permit Location	Permit Granted Date	Permit Expiry Date
RM15-0017-WU.01	Use Cold Ground Water	Use of water from well no. 2510 and well no. 2511 for municipal supply	58A Johnson Road, Otakiri	15/12/2016	31/12/2031
RM18-0540-WT.01	Take	Take and use of groundwater from a bore for municipal supply of the Otumahi Water Supply Scheme	Tahuna Road, Te Teko	20/12/2018	30/09/2045
RM22-0032-WT.01	Take	Take and use of groundwater from BN-11204 for the municipal supply of the Te Mahoe Village, at 1B Te Mahoe Village Road, Te Mahoe	Te Mahoe Village, Matahina	04/05/2022	30/04/2037

Table 25. Resource consents relating to wastewater

Permit Number	Permit Activity Type	Permit Purpose	Permit Location	Permit Granted Date	Permit Expiry Date
20049.0.01-DC	Discharge Wastewater	Discharge wastewater from Oxidation Ponds to be constructed at Tāneatua into the natural waters of the Whakatāne River	Whakatāne River at a point downstream of Tāneatua	6/04/1971	1/10/2026
20368	Discharge Wastewater	Discharge treated effluent from oxidation ponds into the Bay of Plenty	Whakatāne urban area	8/06/1978	1/10/2026
20702	Discharge Wastewater	Discharge effluent from Edgecumbe oxidation ponds into the Omeheu Canal	Edgecumbe Soldiers Road	1/05/1980	1/10/2026
20778	Discharge Wastewater	Discharge effluent from the Murupara Borough oxidation ponds into the Rangitāiki River	Murupara Borough oxidation ponds into the Rangitāiki River	5/03/1981	1/10/2026
62656	Discharge To Air	Discharge odorous gases from Murupara sewage treatment facility to the air	Murupara sewage treatment facility	1/11/2004	30/09/2026
62657	Discharge To Air	Discharge odorous gases from Edgecumbe sewage treatment facility to the air	Edgecumbe sewage treatment facility located at Edgecumbe Soldiers Road Edgecumbe	1/11/2004	30/09/2026

Permit Number	Permit Activity Type	Permit Purpose	Permit Location	Permit Granted Date	Permit Expiry Date
62658	Discharge To Air	Discharge odorous gases from Tāneatua sewage treatment facility to the air	Tāneatua sewage treatment facility	1/11/2004	30/09/2026
62659	Discharge To Air	Discharge odorous gases from Whakatāne sewage treatment facility to the air	Kopeopeo Canal Road, Whakatāne	8/08/2006	30/10/2026
RM16-0143-DC.01	Discharge To Land	To discharge treated wastewater to land	16 Te Mahoe School Road, Lake Matahina, Te Mahoe	28/07/2016	30/06/2051
65984.0.01-DC	Discharge Other	Discharge of treated effluent from the Ōhope Wastewater treatment plant to the Pacific Ocean	Ōhope wastewater treatment plant	23/11/2016	30/09/2035
65984-CC.01	Discharge Other	Occupy space in the common marine and coastal area for a discharge structure associated with the Ōhope wastewater treatment plant.	Ōhope wastewater treatment plant	23/11/2016	30/09/2035
RM21-058-AP	Discharge To Air	Authorise and set conditions for the discharge of contaminants (gases and aerosols) to air from the Ōhope Wastewater Treatment Plant	Wainui Road, Ōhope	15/02/2022	30/09/2035

Table 26. Consents relating to stormwater

Consent #	Purpose	Granted date	Expiry date	Location
20183	For the purpose of stormwater runoff from a proposed subdivision at Mokorua, Whakatāne.	6/03/1975	1/10/2026	White Horse Drive, Mokorua, Whakatāne
20210	For the purpose of discharging stormwater from a 53-acre area of the Tāneatua stormwater drainage system into a watercourse on the property of S. L. Mayne, Tāneatua.	2/10/1975	1/10/2026	Tāneatua Stormwater Drainage System
20267	For the disposal of stormwater from the Awatapu urban area.	2/09/1976	1/10/2026	Awatapu Urban Area, Whakatāne

Consent #	Purpose	Granted date	Expiry date	Location
20319	Discharging stormwater from the Grantees' subdivision adjacent to State Highway No. 2 at Whakatāne. Discharge stormwater from an industrial subdivision at Whakatāne.	1/09/1977	1/10/2026	Kopeopeo Canal, Whakatāne
21117	For the purpose of discharging stormwater from a residential subdivision adjacent to Harbour Road opposite Tuati Street, Ōhope.	7/04/1983	1/10/2026	Adjacent to Harbour Road Opposite Tuati Street, Ōhope
21785-1	Discharge stormwater from a subdivision into the Waiewe Stream	5/12/1985	1/10/2026	Waiewe Stream, Whakatāne
21785-2	Discharge stormwater from a subdivision into a gully leading to the Wainui Te Whara Stream	5/12/1985	1/10/2026	Waiewe Street, Whakatāne
24283	Discharge stormwater to the Whakatāne River.	16/10/1995	31/08/2004	From an outfall at the Whakatāne Gardens to the Whakatāne River
24801	Discharging stormwater containing sediment from a catchment incorporating 1.9 hectare of earthworks during the construction of a residential subdivision to Waiewe Stream and to discharge clean stormwater from the completed subdivision to Waiewe Stream.	4/12/1996	30/11/2011	Waiewe Stream, Whakatāne
40251	Discharge stormwater to Ōhiwa Harbour.	20/12/1996	30/11/2006	Ōhiwa Harbour, Ōhope
24943	Discharging clean stormwater from the Waterford Estate subdivision and adjacent road and residential areas to the Maraetotara Stream. Discharge stormwater to water.	15/07/1997	30/06/2012	An outfall on the Maraetotara Stream within the Maraetotara Reserve, Ōhope
60053	Discharging stormwater from the 1.2-hectare residential subdivision on Walnut Grove, Whakatāne into Awatapu Lagoon.	15/10/1998	31/10/2008	Walnut Grove, Whakatāne
60171	For the purpose of discharging stormwater from a 4400 square metre catchment at Port Ōhope, Ōhiwa harbour.	20/01/1999	30/12/2033	Port Ōhope, Ōhiwa Harbour
60344	To authorise the discharge of sediment contaminated stormwater from sediment retention ponds during earthworks operations, and continuing until the site is fully rehabilitated, and to authorise the discharge of treated stormwater from an urban residential subdivision. Discharge treated sediment contaminated stormwater to Ōhiwa Harbour, and to land where it may enter Ōhiwa Harbour; and treated stormwater to Ōhiwa Harbour, and to land where it may enter Ōhiwa Harbour.	14/09/1999	31/08/2014	Ōhiwa Harbour

Consent #	Purpose	Granted date	Expiry date	Location
61841	For the purpose of diverting stormwater, detaining stormwater in a stormwater detention pond, and discharging stormwater from a stormwater detention pond to land where it may enter the Wainui Te Whara stream.	10/12/2002	30/11/2022	White Horse Drive, Wainui Te Whara Stream, Whakatāne
62713	For the purpose of authorising and setting conditions on the placement and use of an outlet structure in the bed of the Whakatāne River, and the discharge of stormwater from a commercial development into the Whakatāne River via a pump station. Constructing and using an outlet structure in the bed of the Whakatāne River, and the discharge of stormwater from a commercial development into the Whakatāne River via a pump station.	27/02/2005	30/06/2015	The discharge point is located on the Whakatāne River, Whakatāne
63352	Discharge storm water to the Kopeopeo Canal	26/10/2005	30/09/2030	The Hub, State Highway 30, Whakatāne
64930	For the purpose of implementing a reticulated stormwater system for the residential areas above the escarpment at Cliff Road, Brown Road, and Ōtarawairere Village and discharging stormwater.	20/09/2007	30/09/2027	Ōhope West End, Escarpment
65353	To provide for the construction of a stormwater outfall structure in the bed of the Wainui Te Whara stream and for the permanent discharge of up to 1,000 litres per second at the maximum pumping rate. The proposal will provide increased stormwater capacity and will reduce the risk of flooding in the adjacent residential catchment.	29/05/2008	30/04/2028	Adjacent to 35 Douglas Street, Whakatāne
65617	To authorise earthworks, the damming and diversion of stormwater, the discharge of stormwater to water and the installation of structures to protect Edgecumbe from surface and stormwater flooding from land to the west and from direct rainfall.	22/09/2009	31/08/2044	Pump station at corner of Otakiri Rd and Te Teko Rd, culverts in southwest Edgecumbe, Rangitāiki Plains
65604	For the purpose of authorising the discharge of stormwater to the Whakatāne River and the placement, use and maintenance of associated discharge structures and erosion protection.	1/06/2010	30/04/2045	Whakatāne Riverbank, adjacent to 2 Keepa Road, Whakatāne
66394	To authorise and set conditions on the extension and use of stormwater outlets on Ōhope beach, the discharge of stormwater to the coastal marine area (see advice note 12), the scraping of beach from the sand to cover extended outlets, and occupation of space in the coastal marine area.	29/09/2010	31/08/2020	Several locations along Ōhope beach

Consent #	Purpose	Granted date	Expiry date	Location
65835	To authorise the re-grading of existing stormwater drains to increase capacity, the discharge of stormwater to water from a new pump station in the north-west of Edgecumbe and associated in-stream structures.	20/01/2011	31/12/2045	Rangitāiki Plains/ Edgecumbe
67409	For the purpose of authorising the discharge of stormwater to a drain.	12/03/2013	28/02/2048	Open Drain at 98B College Road, Edgecumbe
67420	For the purpose of authorising the discharge of stormwater to Lake Sullivan and works associated with the formation of the stormwater outlet.	12/03/2013	28/02/2048	Lake Sullivan, Whakatāne
68000	To authorise and set conditions for the removal of existing stormwater outlet and erosion protection structures and construction of new stormwater outlet and erosion protection structures.	19/11/2014	30/11/2049	Maraetotara Stream, Ōhope
68057	Discharge stormwater to a tributary of the Whakatāne River and the Whakatāne River	4/08/2015	4/08/2040	Whakatāne Recycling Park, 60 Te Tahi Street to a tributary of the Whakatāne River and Whakatāne River
RM16-0450-DC.01	To authorise and specify the conditions associated with the discharge of stormwater from Ōhope recreation reserve to ground soakage via subsurface stormwater chambers, and during heavy rain events to the Maraetotara Stream via subsurface conveyance and an open swale.	15/12/2016	3/08/2051	251B-291 Pohutukawa Avenue & 5 Te Akau Street, Ōhope, Whakatāne District
RM20-0113-DC.01	To authorise and set conditions for the discharge of residential stormwater to land soakage.	13/05/2020	1/05/2055	Ocean Road, Ōhope
RM20-0493-DC.01	Discharge of stormwater to surface water, or to land where the discharge enters surface water, where the rate of discharge is greater than 125 litres per second for a 10-minute duration 10% AEP storm event.	30/10/2020	30/10/2023	Orini Canal and Keepa Road Reserve, 80 m north of the Fergusson Road and Keepa Road intersection, Whakatāne

Note the shaded consents in the stormwater table above will become inclusive within the Whakatāne urban catchment comprehensive stormwater consent (CSC). The CSC is an active consent application – see table below.

Comments on compliance

A description of the capital reprofiling to ensure regulatory compliance is provided in the following section. The Council worked with Tonkin + Taylor, regulators and Beca to develop a capital programme that will comply with relevant regulatory requirements.

The district faces compliance challenges in meeting the DWQAR and obtaining resource consents relating to drinking water and wastewater services. Significant investment is required.

Table 27. Compliance overview

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
• Bacterial compliance (*E. coli*)	Yes – 1 scheme; no – 8 schemes (compliance with DWQAR T3 bacterial rules for the period 1 July 2023 to 30 June 2024)	n/a	n/a
• Protozoa compliance	Yes – 1 scheme; no – 8 schemes (compliance with DWQAR T3 protozoal rules for the period 1 July 2023 to 30 June 2024)		
• Chemical compliance	Yes – 9 schemes (no chemical MAVs exceeded in treatment plant sampling for the period 1 July 2023 to 30 June 2024)		
• Boiling water notices in place	3 notices issued in last 3 years (Murupara water supply – February 2023; Rūātoki water supply – May 2023, and June-July 2025)		
• Fluoridation	Yes – 1 scheme (Whakatāne); no – 8 schemes		
• Average consumption of drinking water	363.3 l/person/day (per the draft Water Loss Report for the period 1 July 2024 to 30 June 2025)		
• Water restrictions in place (last 3 years)	No		
• Firefighting sufficient	Yes		

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

Resource Management • Significant consents (note if consent is expired and operating on S124)	20094 20114 20198 (incl. right to discharge wastewater) 20223 20280 20283 21044 21451 62627 (S.124) 66359.0.02-WT+ 66359.0.03-WT RM15-0017-WT.01 RM15-0017-WT.02 RM15-0017-WU.01 RM18-0540-WT.01 RM22-0032-WT.01	**Wastewater discharge to water** 20049.0.01.DC 20368 20702 20778 65984.0.01-DC **Wastewater discharge to land** RM16-0143-DC.01 **Discharge to air** 62656 62657 62658 62659 RM21-0058-AP	43 stormwater discharge consents (including 10 operating under S124; note: some are outside of scheme areas and/or authorise temporary discharge of stormwater associated with works) Zero network consents
• Expire in the next 10 years	20094 20114 20198 (incl. right to discharge wastewater) 20223 20280 20283 21044 21451 62627 (S.124) 66359.0.02-WT+ 66359.0.03-WT RM15-0017-WT.01 RM15-0017-WT.02 RM15-0017-WU.01	20049.0.01.DC 20368 20702 20778 62656 62657 62658 62659	13

• Non-compliance:
  • Significant risk non-compliance
  • Moderate risk non-compliance
  • Low risk non-compliance
	For period from 1 July 2023 to 30 June 2024
	1 for RM15-0017-WT.01+
	1 for RM15-0017-WT.02
	1 for 21044.0.02-WT+
	6 for 20094.0.02-WT+
	1 for 21451.0.02-WT+
	3 for RM15-0017-WT.01+
	3 for RM15-0017-WT.02
		For period from 1 July 2023 to 30 June 2024
		Zero
		4
		15
			For period from 1 July 2023 to 30 June 2024
			Zero
			Zero
			Zero

• Active resource consent applications	1 - RM25-0410 (Replacement for 21044)	Several in planning stages	1 – RM23-0010-AP Whakatāne comprehensive stormwater consent

• Compliance actions (last 24 months):
  • Warning
  • Abatement notice
  • Infringement notice
  • Enforcement order
  • Convictions
	Zero
	Zero
	Zero
	Zero
	Zero
		Zero
		Zero
		Zero
		Zero
		Zero
			Zero
			Zero
			Zero
			Zero
			Zero

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

The table below lists major capital projects over the next 30 years. The major capital projects over the next ten years are listed in the *Additional information* section at the end of this Plan.

Table 28. Major capital projects to 2054

	Project	Driver for investment (compliance, level of service, renewal, growth)	Timeframe	Capital expenditure to 2054
Water supply	410028 - EQ Water Network Renewals	Renewal	2025 – 2054	$59,381,734
	410032 - EQ Water Storage	LOS and growth	2026 – 2027	$745,434

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

	410123 - Whk Cond & Improv - Reservoirs	Renewal	2028 – 2029	$9,565,000
	410037 - EQ New W Source & Treatment	Renewal	2027 – 2034, 2041 – 2047	$111,374,000
	410135 – Otumahi W Storage Pipe L Rd WMain	LOS	2025	$3,566,832
	414592 - PLAINS W - Water Safety Plans	LOS and growth	2025 – 2028	$2,016,000
	Minor projects - profiled over 30 years	Various	2025 – 2054	$92,985,946
	Minor projects - profiled from Years 11-30 (Additions from T&T)	Various	2035 – 2054	$6,843,306
Wastewater	510055 - EQ ST&D Pump stn Renewals	Renewal	2025 – 2054	$16,526,400
	510057 - EQ Sewer Network Renewals	Renewal	2025 – 2054	$50,524,000
	510059 - New Wastewater Treatment Plant incorporates Whakatāne and Edgecumbe	Compliance	2028 – 2031, 2047 – 2054	$93,000,000
	New Wastewater Treatment Plant Tāneatua	Compliance	2026, 2038 – 2041	$30,000,000
	Wastewater ponds desludging	Compliance	2028 – 2031, 2047 – 2054	$10,000,000
	510090 - WHK WW - Rising Main Renewal	Renewal	2026 – 2039	$17,718,000
	512001 - Matatā Wastewater Scheme	LOS improvement and growth	2025 – 2026	$6,041,786
	512559 - MRP WWTP renewal & upgrade	Compliance	2034 – 2038	$30,300,000
	Minor projects - profiled over 30 years	Various	2025 – 2054	$37,038,769
	Minor projects - profiled from Years 11-30 (Additions from T&T)	Various	2035 – 2054	$3,360,560
Stormwater	311501 - Edge SW - Stormwater Study	LOS	2027 – 2029, 2044, 2054	$3,928,590
	Minor projects - profiled over 30 years	Various	2025 – 2054	$35,699,809

	Minor projects - profiled from Years 11-30 (Additions from T&T)	Various	2035 – 2054	$20,729,138

Notes on the capital expenditure programme

Our capital expenditure projections have been revised by council officers to ensure compliance with regulatory requirements, while also considering achievability and affordability.

The LTP proposed a capital programme totalling $190 million (in real terms) over the forecast period, with just over half of this forecast to renew existing assets and the vast majority of the remainder to improve levels of service.

Tonkin & Taylor was engaged to review the LTP capex programme to determine additional investment required to meet regulatory requirements, particularly in regard to wastewater infrastructure. This was further refined by council officers following discussions with the Water Services Authority (Taumata Arowai) and Bay of Plenty Regional Council. This capital programme was subsequently reviewed by Beca for consistency with proposed national wastewater environmental performance standards, noting there remains some uncertainty regarding the final form and application of new national standards.

The final capital programme totals $215.7 million over ten years (in uninflated dollars).

Under this final capital programme, drinking water infrastructure will be compliant with regulatory requirements by 2028, and wastewater infrastructure will be compliant by 2032 (noting there is some uncertainty with the final wastewater standards).

Key changes made to the capital profile (as a result of the T+T review) are summarised below.

Table 29. Major water supply capital projects adjusted through preparing this plan

Project name	Comment
PLAINS W - Water Safety Plans	• This project comprises Rangitāiki Plains - Johnson Road upgrades to meet higher arsenic treatment requirements, UV installation and to assist with growth in the Plains. • The project budget and timing has been changed to reflect the needs-based Infrastructure Strategy timing and cost estimate. • The project budget is $9.8 million.

– Whakatāne District Condition and Improvements - Reservoirs	• This renewals programme includes major renewals of one-off assets such as Whakatāne 1, 2 and 3 reservoirs, Ngāti Awa reservoir and Te Teko reservoir. • This programme is primarily condition driven based on a condition assessment undertaken by GHD in 2020. • Subsequent additional cost estimates are available as part of the Water Strategy work undertaken by Warren Mckenzie Consulting Ltd in 2022. • The adjustments in budgets have been largely to revert to Infrastructure Strategy budgets with the exception that there Whakatāne 2 reservoir has inclusion of remedial strengthening works prior to renewal originally being included twice. • There have been no adjustments to the timing of projects. • The project budget is $19.4 million.

Table 30. Major wastewater capital projects adjusted through preparing this plan

Project name	Comment
New Wastewater Treatment Plant incorporates Whakatāne and Edgecumbe	• Resource consents for Whakatāne and Edgecumbe expire in 2026. • The design and consenting for this project is underway with a draft Options Assessment report completed by PDP that considers a range of possible combined WWTP upgrades. Refinements to assumptions are ongoing at the time of writing. • Recent discussions held between WDC and regulators have identified that the proposed upgrades to Whakatāne WWTP would no longer be required under the newly proposed wastewater performance standards. This is due to the existing ocean outfall meeting these proposed new standards. Therefore, based on this advice, this upgrade has been excluded from the budget. • The Edgecumbe upgrades are to remain as the plant currently experiences some non-compliance. • We have adjusted the timing of this project to be included in Years 1 – 10 from 2029 through to 2031. • The project budget is $25 million.

Murupara WWTP renewal and upgrade	• Resource consents for Murupara expire in 2026. • Step change upgrades may be required to comply with the proposed wastewater performance standards. At this stage, this WWTP is not expected to be classed as a small scheme under these new standards. • We have adjusted the timing of this project to be included in Years 1 – 10 from 2026 through to 2028. • The project budget is $30 million.
Wastewater ponds desludging	• This project was originally included in the AMP budgets to coincide with WWTP upgrades. The step change required in treatment for these upgrades would likely render the current oxidation ponds obsolete. • This project allows for the desludging and disposal of material and rehabilitation of the ponds. • Based on information outlined in the Whakatāne and Edgecumbe WWTP upgrade Options Assessment report, we understand that the level of desludging required at Whakatāne and Edgecumbe is less than originally estimated as these ponds can be utilised as flow balance ponds. • We have adjusted the timing of this project to be included in Years 1 – 10 to match the proposed WWTP upgrade staging from 2029 through to 2033. • The project budget is $10 million.

Table 31. Major stormwater capital projects adjusted through preparing this plan

Project name	Comment
Edgecumbe Stormwater study	• This project aims to address known historic flooding issues and loss of LOS for properties in Edgecumbe. • The project is likely to involve undertaking groundwater monitoring and possible associated modelling to determine the viability of low-lying areas in Edgecumbe that are susceptible to flooding in low ARI flood events. • In addition, design and upgrades have been allowed for that may involve implementing a combined SW and WW system. • This project has been moved forward to 2028 from 2031 and the budget reinstated to $3.4 million (adopted budget was 50%)

Projected investment in water services is shown below. Numbers are shown in $k and inflated over time.

Table 3220. Projected investment in water services

Projected investment in water services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										

Capital expenditure - to meet additional demand	-	-	760	-	-	-	-	-	-	-
Capital expenditure - to improve levels of services	3,897	204	1,789	1,175	0	0	0	0	0	0
Capital expenditure - to replace existing assets	11,503	10,064	4,670	12,532	10,094	5,841	5,976	6,107	6,236	6,366
Total projected investment for drinking water	**15,401**	**10,268**	**7,219**	**13,707**	**10,094**	**5,841**	**5,976**	**6,107**	**6,236**	**6,366**
Wastewater										
Capital expenditure - to meet additional demand	1,133	5,575	-	-	-	-	-	-	3,961	14,418
Capital expenditure - to improve levels of services	118	1,991	10,838	4,316	7,912	13,272	13,489	13,745	10,655	0
Capital expenditure - to replace existing assets	4,356	6,642	4,666	5,326	5,927	5,468	5,682	5,848	5,388	6,007
Total projected investment for wastewater	**5,608**	**14,208**	**15,504**	**9,642**	**13,839**	**18,740**	**19,171**	**19,593**	**20,004**	**20,424**
Stormwater										
Capital expenditure - to meet additional demand	-	-	-	-	-	-	-	-	-	-
Capital expenditure - to improve levels of services	-	-	125	94	96	-	-	-	-	-
Capital expenditure - to replace existing assets	4,853	2,157	1,198	1,230	1,260	1,289	1,319	1,348	1,376	1,405
Total projected investment for stormwater	**4,853**	**2,157**	**1,324**	**1,324**	**1,357**	**1,289**	**1,319**	**1,348**	**1,376**	**1,405**
Total projected investment in water services	**25,861**	**26,633**	**24,047**	**24,672**	**25,289**	**25,871**	**26,466**	**27,048**	**27,616**	**28,196**

Historical delivery against planned investment

Comments on historic delivery

The Council has historically delivered well against budgets as summarised in Table 33. In saying that, it is noted that historically Council's work programme has:

- Been focused on maintaining existing infrastructure and undertaking renewals based on limited asset data.
- Been limited by resourcing and budget constraints, but also the time required to engage and consult with partners, iwi and the public.
- Reflected limited need to provide for additional capacity as a result of growth as development has generally been able to be absorbed by existing infrastructure
- Not made substantial progress in obtaining new resource consents that will lapse in 2026 for water takes for municipal supplies and wastewater treatment and disposal.
- Not improved compliance of drinking water schemes where temporary interruptions (turbidity or power outages) were often the cause.
- Needed to spend resources as required on fixing unplanned breakages.
- Been supplemented by Government funding after Covid 19.

Table 33. Historic delivery against planned investment

Delivery against planned investment	Renewals investment for water services ($k)				Total investment in water services ($k)			
	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)	11,613	16,465	6,946	35,024	25,861	47,621	20,624	94,106
Total actual investment	11,054	15,656	9,362	36,072	26,177	37,425	19,379	82,981
Delivery against planned investment (%)	**95%**	**95%**	**135%**	**101%**	**101%**	**79%**	**94%**	**88%**

Note that the way some projects were categorised for the Long-Term Plan is different to the way they have been categorised for purposes of projecting future capex requirements. Hence renewals spend for FY25 appears lower in the table above than it does in other parts of this document.

Comments on future delivery

As noted in an earlier section, the Council is making strategic shifts to procurement and project delivery processes that will assist capital delivery:

- The project budget allocation process has been changed requiring activity managers to phase project budgets by stages instead of solely at project onset.
- An Infrastructure Project Management Office went live in April 2025 which will assist water services project managers deliver projects and provide improved visibility of the team's progress towards delivering the three waters capital programme. The PMO system assists making proactive decisions concerning matters such as resourcing constraints, cost escalations, and schedule shifts.
- A new Enterprise Project Management Office has also now been established within Council to uplift overall project management maturity and facilitate successful project delivery.
- A panel of three General Managers has been formed that meet regularly to review procurement requests and practices.
- A Programme of work is underway to obtain the required resource consents by 2026 (or to be able to use s124 RMA) with a budget of $7M.
- A Waters Strategy is being developed to consider better integration of our water and wastewater services on the Rangitāiki Plains and the potential to integrate with the Whakatāne/Ōhope scheme(s).

Collectively, these changes are anticipated to bolster Council's capability to achieve its capital expenditure programme moving forward. Regardless, some level of carry forwards can be anticipated each year as several of the larger budgeted capital projects involve a variety of options and community agreement components before planning and delivery of capital works can occur.

The rephasing of the work programme is intended to ensure the delivery of our capital programme is workable, realistic and meets expectations of Taumata Arowai and the BOPRC.

Part C: Revenue and financing arrangements

Revenue and charging arrangements

Revenue and charging arrangements
Charging and billing arrangements

Approach to current charges

The 'Funding Impact Statement - Rating' sets out the detail behind each of the various rating categories. Rating units defined as 'Commercial and Industrial' are any properties zoned or used for commercial industrial purposes. Rating units defined as 'Residential' are any properties zoned or used for residential purposes. 'Rural' is defined as all rural zoned land, except commercial and industrial properties as defined above.

All figures presented below are GST exclusive. GST will apply at the current rate of 15%.

Water supply rates

The water supply rates fund the water supply activity including associated maintenance. Council sets water rates for each scheme on a differential based on provision of service. The targeted rates are set as a fixed amount per connection for connected properties and per rating unit for properties for which the service is available. Targeted rates are also set based on the volume of water supplied at a rate per m^3. The differential categories of service for the targeted rate for water supply are:

- Connected – any rating unit that is connected directly or indirectly to Council-operated waterworks.
- Available – any rating unit that is not connected to Council-operated waterworks but is within 100 metres of such waterworks.

Table 34. Water supply rates

	Per connection $	Rate $
Plains and Awakeri Extension		
Connected - metered	380.86	
Water by meter		0.75
Excess water by meter*		0.90
Murupara		
Connected – metered	307.92	
Connected – non-metered	735.90	
Available – not connected	307.92	
Water by meter		1.86
All other schemes**		
Connected – metered	294.60	
Connected – non-metered	883.99	
Available – not connected	294.60	
Water by meter		2.56

*The council sets an additional targeted rate for any excess water consumed that is over and above the purchased entitlement for each rating unit connected to the Plains and Awakeri Extension water supply scheme. An overuse targeted rate is set for the excess volume consumed over and above the purchased entitlement of $0.90 per cubic metre.
**Whakatāne, Ōhope, Edgecumbe, Matatā, Tāneatua, Rūātoki, Waimana, Te Mahoe

Wastewater rates (Sewage disposal)

Council sets sewage disposal rates for each scheme on land use and provision of service to fund sewage disposal. Land use is residential, rural, or commercial/industrial. For residential and rural rating units, Council sets fixed targeted rates per separately used or inhabited part of a rating unit, i.e. any part of a rating unit that is, or is able to be, separately used or inhabited by the ratepayer, or by any other person or body having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.

- Commercial/industrial properties are charged per pan.
- Connected – any rating unit that is connected directly or indirectly to a public sewerage drain.
- Available – any rating unit that is not connected to a public sewerage drain but is within 30 metres of such a drain.

Table 35. Wastewater rates

	Differential	Rate $
Available – all schemes* (excluding Murupara)	0.5	300.74
Connected – all schemes (excluding Murupara)	1	601.47
Available – Murupara	0.5	205.58
Connected – Murupara	1	211.15
*Whakatāne, Ōhope, Edgecumbe, Tāneatua, Te Mahoe		

Stormwater rates

The stormwater rates fund the stormwater activity including drainage and disaster mitigation (excluding Matatā). The Council sets for each stormwater scheme a fixed targeted rate and a rate on the capital value on properties connected to a scheme or located in that scheme area, as follows (differentially for Whakatāne).

Table 36. Stormwater rates

	Fixed targeted rate per rateable unit ($)	Differential	$ per CV$
Whakatāne	162.32	1.0	0.00051048
Whakatāne commercial and industrial*	162.32	2.2	0.00112305
Matatā	95.61	1.	0.00051048
Ōhope	97.79	1.0	0.00021642
Edgecumbe	153.59	1.0	0.00060310
Tāneatua	42.86	1.0	0.00034649
Murupara	8.84	1.0	0.00015074
Te Mahoe Land Drainage	126.03	1.0	0.00127806

Te Teko Land Drainage	30.64	1.0	0.00042365
*A differential targeted rate calculated on capital value is charged for Whakatāne Commercial and Industrial rating units, due to the greater level of impermeable surfaces putting greater pressure on stormwater systems.			

Proposed charging approach

Council will decide whether to pursue a joint water services organisation in early-2027 and will continue to deliver services through an inhouse business unit until 30 June 2028 at the earliest.

The intention is to investigate what is required to ringfence the financial components of our Three Waters operations by 1 July 2026 and to implement ringfencing, including a separate invoice for waters) by 1 July 2027. Water services revenue will be ring-fenced and tracked with separate General Ledger codes in the Council's accounting systems. Council will investigate storing revenues for each water in separate bank accounts.

How revenue from water services will be separated

Council understands the financial principles in the Local Government (Water Services) Bill require:

- Council to spend revenue from water services on providing water services
- revenue to be sufficient to sustain long-term investment in providing water services
- revenue to be transparent
- Council to be accountable to community

Therefore:

- water revenues must be separately identifiable from other revenues
- Council must have sufficient internal controls around water revenue
- cashflows for water services must be tracked and reconciled with cash balances retained for future spending on water services.
- Water revenue will be separately identifiable on the Council's balance sheet. Separate bank accounts will be established for revenues relating to each water.

The Implementation Plan describes the steps that the Council will take to comply with the ring-fencing requirements.

Water services revenue requirements and sources

Revenue requirements

The revenue required under the Plan for all three waters is set out in the financial template and reproduced below.

Table 37. Revenue required under this Plan

	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34
General rates	517	505	507	509	517	519	521	523	512	514

Targeted rates	21,299	24,518	27,245	29,724	32,422	35,370	38,583	42,087	45,920	50,086
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 receipts	239	565	324	332	158	162	164	231	235	239
Fees and charges	336	335	359	368	437	446	457	401	410	418
Total operating funding	**22,391**	**25,923**	**28,435**	**30,934**	**33,535**	**36,496**	**39,725**	**43,242**	**47,077**	**51,257**
Other revenue	422	409	444	455	467	477	488	499	509	519
Total revenue	**22,813**	**26,332**	**28,879**	**31,389**	**34,001**	**36,973**	**40,213**	**43,741**	**47,586**	**51,776**

Based on current forecasts, Council anticipates water services operating revenues to exceed water services operating expenses by FY34. Further, the forecast expects cash surpluses to be generated every year.

Table 38. Operating surpluses under this Plan

	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34
Operating revenue	22,391	25,923	28,435	30,934	33,535	36,496	39,725	43,242	47,077	51,257
Other revenue	422	409	444	455	467	477	488	499	509	519
Total revenue	**22,813**	**26,332**	**28,879**	**31,389**	**34,001**	**36,973**	**40,213**	**43,741**	**47,586**	**51,776**
Operating expenses	8,505	9,311	9,662	10,005	10,510	10,935	11,151	12,161	12,529	13,543
Finance costs	3,552	4,487	6,564	7,529	8,500	9,434	10,305	11,106	11,823	12,431
Overheads and support costs	5,548	6,246	6,495	6,535	6,564	6,831	6,896	7,051	7,289	7,336
Depreciation & amortisation	10,531	11,315	12,030	12,762	13,514	14,285	15,074	15,881	16,704	17,545
Total expenses	**28,136**	**31,359**	**34,751**	**36,831**	**39,087**	**41,485**	**43,426**	**46,199**	**48,345**	**50,855**
Net surplus / (deficit)	**(5,323)**	**(5,026)**	**(5,872)**	**(5,442)**	**(5,086)**	**(4,511)**	**(3,214)**	**(2,457)**	**(759)**	**921**
Revaluation of infrastructure assets	8,793	0	16,447	0	19,939	0	21,235	0	23,362	0
Total comprehensive income	**3,470**	**(5,026)**	**10,574**	**(5,442)**	**14,853**	**(4,511)**	**18,021**	**(2,457)**	**22,603**	**921**
Cash surplus / (deficit) from operations (excluding depreciation)	**5,208**	**6,289**	**6,158**	**7,320**	**8,428**	**9,774**	**11,861**	**13,424**	**15,945**	**18,466**

Revenue sources

Water supply, wastewater and stormwater services are currently funded through a variety of revenue sources. Operating costs are generally funded through:

- General rates, including uniform annual general charges
- Targeted rates, including fixed targeted rates
- Fees and charges
- Subsidies and grants.

Capital expenditure is generally funded through:

- Subsidies and grants
- Development contributions and financial contributions.

After allowing for revenue from the sources above, the balance of capital expenditure is generally funded from depreciation from reserves and borrowing.

Charging and collection methodology

Charging and collection is currently done through rates invoices.

As ring-fencing is established, charges for water services will be clearly identifiable on rates invoices.

Existing and projected commercial and industrial users' charges

Current charging and collection methodology for water services

Information on the approach to collection and charging for residential and non-residential consumers is provided above.

Projected charges

The Annual Plan for FY26 – contains indicative rates impacts for residential, commercial and industrial ratepayers. While this does not indicate projected charges over the ten-year period of the Plan, it does show the range of charges different categories of ratepayers will face in FY26, and the likely relativity of charges across different categories in outyears.

Table 39. Three waters rates signalled in the 25-26 Annual Plan

Indicative property type	Capital value ($)	Water supply rates	Wastewater rates	Stormwater rates
Whakatāne residential				
Low (1%)	290,000	883.99	601.47	310.35
Lower quartile (25%)	550,000	883.99	601.47	443.08
Median (50%)	670,000	883.99	601.47	504.34
Upper quartile (75%)	830,000	883.99	601.47	586.01
High (99%)	1,730,000	883.99	601.47	1,045.44
Ōhope residential				
Low (1%)	430,000	883.99	601.47	190.85
Lower quartile (25%)	950,000	883.99	601.47	303.39
Median (50%)	1,180,000	883.99	601.47	353.16
Upper quartile (75%)	1,500,000	883.99	601.47	422.42
High (99%)	2,780,000	883.99	601.47	699.44
Other residential				
Edgecumbe median (50%)	540,000	883.99	601.47	479.26
Matatā median (50%)	590,000	883.99		396.79
Murupara median (50%)	170,000	735.90		34.46
Tāneatua median (50%)	310,000	883.99	601.47	150.27
Te Teko median (50%)	210,000	552.64		119.61

Rural residential median (50%)	240,000	883.99		
Lifestyle median (50%)	1,210,000			
Commercial				
Low (1%) 1 pan	900,000	883.99	601.47	1,173.06
Lower quartile (25%) 3 pans	1,160,000	883.99	1,804.41	1,465.06
Median (50%) 6 pans	1,720,000	883.99	3,608.82	2,093.96
Upper quartile (75%) 8 pans	2,790,000	883.99	4,811.76	3,295.63
High (99%) 10 pans	23,000,000	883.99	6,014.70	25,992.50
Industrial				
Low (1%) 1 pan	900,000	883.99	601.47	1,173.06
Lower quartile (25%) 2 pans	1,000,000	883.99	1,202.94	1,285.37
Median (50%) 3 pans	1,400,000	883.99	1,804.1	1,734.59
Upper quartile (75%) 5 pans	1,950,000	883.99	3,007.35	2,352.27
High (99%) 25 pans	36,800,000	883.99	15,036.76	41,490.61

The affordability of projected water services charges for communities

The median household income and median personal income in the Whakatāne district are both lower than the national average. The unemployment rate is higher than the national average. These factors mean Council is very concerned about the affordability of projected water charges.

Average water related charges per connection are projected to increase from $2,041 in FY25 to approximately $4,411 in FY34, representing an increase of 144% over the ten-year period.

Water charges as a percentage of average household income are projected to grow over the ten-year period, from 2.2% in FY25 to 3.6% in FY34.

The affordability of services will be a central consideration in all future planning and investment decisions. It will be a key consideration for Council regarding whether it decides to form a multi-council water services organisation in partnership with Rotorua Lakes Council, Ōpōtiki District Council and Kawerau District Council.

Average water charges per connection are shown below.

Table 40. Average charge per connection

	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34
Average water supply bill (including GST)	946	1,073	1,202	1,295	1,369	1,421	1,473	1,524	1,573	1,602
Average wastewater bill (including GST)	586	664	728	814	940	1,117	1,317	1,542	1,796	2,105
Average Stormwater bill (including GST)	509	576	604	619	646	661	675	687	696	704
Average charge per connection (including GST)	**2,041**	**2,313**	**2,534**	**2,728**	**2,954**	**3,199**	**3,465**	**3,753**	**4,065**	**4,411**
Projected increase	12.9%	13.3%	9.5%	7.7%	8.3%	8.3%	8.3%	8.3%	8.3%	8.5%
Water charges as % of household revenue	**2.2%**	**2.5%**	**2.6%**	**2.7%**	**2.8%**	**3.0%**	**3.1%**	**3.2%**	**3.4%**	**3.6%**

Funding and financing arrangements

Funding and financing arrangements
Water services financing requirements and sources

Borrowing requirements

Over the forecast period, water services in the Whakatāne District are forecast to require $261.7 million in capital investment to meet regulatory, growth, service level, and renewal obligations. To support this investment, net debt reaches $217.741 million in FY34. The remaining funding comes from water services revenue and development contributions. The table below identifies net debt by individual water service.

Table 41. Net debt by individual waters

	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FY 29/30	FY 30/31	FY 31/32	FY 32/33	FY 33/34
Water supply net debt	36,657	43,659	47,138	56,508	61,833	62,500	62,826	62,785	62,525	62,087
Wastewater net debt	20,628	33,740	48,610	57,272	69,749	86,337	101,956	117,102	130,606	142,482
Stormwater net debt	22,283	22,513	22,053	21,373	20,432	19,274	17,933	16,453	14,880	13,172

Borrowing limits

Whole of Council

Whole of Council debt is managed within the following limits.

Table 42. Whakatāne District Council debt limits

Item	Limit
Net external debt as a percentage of total revenue – LGFA covenant	<280%
Net external debt as a percentage of total revenue – internal council policy limit	<250%
Net interest on external term debt as a percentage of annual rates income – LGFA covenant	<30%
Net interest on external term debt as a percentage of annual rates income – internal council policy limit	<15%
Net interest on external debt as a percentage of total revenue	<20%
Liquidity ratio (total external term debt plus unutilised portion of committed debt facilities plus liquid funds over external debt	>110%

Water debt

Council does not have a separate borrowing limit for water services as borrowing requirements for water activities are combined with other activities and managed at a whole-of-council level. However, the financing strategy adopted for this water services delivery plan aims to keep water debt below 500% of water services revenue in the long-term.

Water services working capital requirements

As water services are a business unit of Council, the Council will provide cashflow liquidity.

No separate water cash reserves are needed as the net cash requirement is offset against water services debt (added or subtracted based on net cash per each water services cashflow statement).

Projected borrowings against limits

Projected borrowings are comfortably within the whole-of-Council debt to revenue limit established by the LGFA covenant and under the threshold set by the Council's internal policy, with whole-of-Council debt projected to peak at 246% in FY30. Water borrowings peak at 461% of water revenues, comfortably below the 500% limit adopted through the financing strategy for this Plan.

Debt repayment strategy

The Council will utilise debt financing for long-lived capital expenditure, such as infrastructure upgrades and compliance-driven projects. Short-term liquidity needs may also be met through borrowing; however, operating costs will primarily be funded through water revenues. This approach supports intergenerational equity and aligns with sound financial management principles.

While the Council's forecasts are structured to show debt aligned with investment needs, rather than explicitly modelling principal repayments, the debt strategy assumes the use of the ratio of net debt to total revenue as the primary mechanism for managing debt over time.

In practice, this means the Council will treat its debt portfolio as a flexible facility to support ongoing investment, while using excess operational cashflows to manage debt within overall LGFA covenant limits. The focus will be on maintaining liquidity, servicing interest costs comfortably, and ensuring that debt levels remain aligned with long-term revenue capacity, infrastructure need, and intergenerational equity.

The tenor of new borrowings will depend on the best deals available to the Council when borrowing is undertaken.

Council will manage interest rate and refinancing risk through:

- regular engagement with the LGFA
- use of interest rate swaps, hedging instruments, forward rate agreements, interest rate options, and other tools
- using interest rate control limits
- spreading debt across financial institutions and maturity dates
- managing variable debt to appropriate percentage levels
- dealing with and investing in credit worthy counterparties
- evaluating project finance options on their merits.

Internal borrowing arrangements

Internal borrowing is actively managed within the Council's financial system.

Internal borrowing will be separately tracked against water activities. Interest on internal debt balances will be attributed to water services on an "arm's length" (commercial) basis based on the average of the council's cost of borrowing. Council will ensure there is a sufficient breakdown of costs and revenues in a newly set up separate chart of accounts within its General Ledger to enable full sets of auditable financial statements to be produced, with the intention that the Council will be in a position to meet ring-fencing and separated reporting requirements by 1 July 2026.

However, any internal borrowing will be on an unsecured basis.

Determination of debt attributed to water services

Council currently borrows from LGFA directly and allocates that borrowing to the respective activities within Council. Debt attributable to water services is tracked through internal borrowings. The ledger has loans tracked by year of drawdown and cost centre. The total value of borrowings for water services as of 30 June 2024 was $61.003 million comprising:

- $25.330 million for water supply
- $13.861 million for wastewater
- $21.812 million for stormwater.

Water services net debt to operating revenue as of 30 June 2024 was 251%.

The debt allocated to each of drinking water, wastewater and stormwater is readily available and has been included in the relevant forecasts. Actual year end closing balances will be used to determine opening balances in support of the transfer of assets and liabilities following the completion of the current financial year and preparation of Council's Annual Report.

Insurance arrangements

WDC currently holds a range of policies that incorporate three waters assets.

Table 43. Insurance policies held by Whakatāne District Council relating to water services

Policy	Notes	Cover
Infrastructural Assets Policy	Exclusively a three waters policy covering underground assets	$250M
Material Damage and Business Interruption	Above ground assets – buildings, fixtures and fittings, plant and equipment, IT assets	$900M
Motor Vehicles	Damage to motor vehicles	$5.4M
Cyber Liability	Damage from cyber crime	$2.5M
Crime Policy	Damage from crime	$2M
Machinery Breakdown	Exclusively a three waters policy covering pumps	$24M
Public Liability	Damage in respect to personal injury or property damage	$15M
Professional Indemnity	Cost and expenses incurred in the defence or settlement of any valid claim	$15M

All policies are subject to various sub-limits and deductibles.

Insurance risk assessments are carried out across the organisation, but not specifically in relation to three waters.

WDC, in conjunction with other BOPLASS[1] councils, has commissioned AON to carry out a loss modelling exercise. Results are expected shortly after this plan is submitted. AON currently holds three waters asset information because it administers the infrastructure assets policy. The loss modelling exercise focuses on underground assets and the probability of various possible catastrophic events.

Level of insurance cover

The last full valuation (asset by asset) was performed in 2023 by AON valuation services.

For 2024 and 2025, Aon has done "fair value assessments" which recommend inflationary factors to apply to replacement costs for each of the years.

A further full valuation will be carried out in June 2026. These are undertaken every three years.

Notes for the 2025 infrastructural asset insurance are below.

Table 44. Insurance valuations for three waters assets as at 30 June 2025

Gross replacement cost	FVA of insurance value		
	2025 Values – Linear Assets	**2025 Values – Point and Plant**	**Totals**
Water supply	239,434,878.43	103,469,431.80	342,904,310.23
Wastewater	131,658,531.90	109,243,729.18	240,902,261.08
Stormwater	146,773,029.10	38,772,304.65	185,545,333.75
TOTAL	**517,866,439.43**	**251,485,465.64**	**769,351,905.06**

A key assumption underpinning the infrastructural asset policy is that central government will cover 60% of losses and council should hold cover for approximately 40%.

There is no direct link to the disaster policy to mitigate insurance losses.

Roles and delegations

A summary of insurance policies is presented to the Risk and Assurance Committee of the Council on an annual basis.

Representatives from the Councils Finance team attend meetings with the Bay of Plenty Local Authority Shared Services (BOPLASS) group of councils to discuss insurance, and this is provided through BOPLASS on behalf of all Councils.

All notifiable events get reported to the financial team, who then notify AON Services.

AON Services deals directly with relevant insurance companies.

[1] BOPLASS Ltd is a company owned by nine councils – Bay of Plenty Regional Council, Rotorua Lakes Council, Western Bay of Plenty District Council, Kawerau District Council, Tauranga City Council, Ōpōtiki District Council, Whakatāne District Council, Taupō District Council and Gisborne District Council. The company has been established to promote shared services between local authorities in the Bay of Plenty/Gisborne regions and elsewhere.

Part D: Financial sustainability assessment

Confirmation of financially sustainable delivery of water services

Financially sustainable water services provision
Confirmation of financially sustainable delivery of water services by 30 June 2028

The Whakatāne District Council can confirm that it will be financially sustainable as an in-house business unit ahead of the required date of 30 June 2028. Confirmation of financial sustainability includes confirmation that Council has:

- **Investment sufficiency** through a capital programme described above and produced with the help of independent consultants Tonkin + Taylor that includes sufficient investment to meet regulatory requirements and provide for a combination of improving levels of service, accommodating growth, and renewals.
- **Revenue sufficient** to cover the costs of operating water services including debt servicing costs.
- **Financing sufficient** to fund the capital programme, within the debt limits and financial covenants agreed with LGFA.

Details and evidence of financial sustainability are included in the remaining sections of Part D.

Investment Sufficiency

The LTP proposed a capital programme totalling $190 million (in real terms) over the forecast period, with just over half of this forecast to renew existing assets and the vast majority of the remainder to improve levels of service.

Tonkin + Taylor was engaged to review the LTP capex programme to determine additional investment required to meet regulatory requirements, particularly in regard to wastewater infrastructure. This was further refined by council officers following discussions with the Water Services Authority (Taumata Arowai) and Bay of Plenty Regional Council. This capital programme was subsequently reviewed by Beca for consistency with proposed national wastewater environmental performance standards, noting there remains some uncertainty regarding the final form and application of new national standards.

The final capital programme totals $215.7 million over ten years (in real terms) and forms the basis for financial modelling undertaken for this options assessment.

Under this final capital programme, drinking water infrastructure will be compliant with regulatory requirements by 2028, and wastewater infrastructure will be compliant by 2032 (noting there is some uncertainty with the final wastewater standards).

The $215.7 million 10-year capital programme in today's dollars equates to $261.7 million in inflated dollars. This programme includes:

- $87.2 million in water supply assets
- $156.7 million in wastewater assets
- $17.8 million in stormwater assets.

The investment profile has been smoothed so real expenditure is relatively even, year-on-year.

Revenue Sufficiency

Council projects to generate sufficient revenue to meet the full cost of water services delivery, including operating expenditure, asset renewals, and debt servicing. Total operating revenue is projected to increase year-on-year throughout the ten years of the Plan from FY25. This drives the projection for operating deficits to generally reduce over the first nine years of the Plan, before operating surplus is achieved in FY34. Similarly, the operating cash surpluses are projected to increase from $5.2 million in FY25 to $18.5 million in FY34. In general, the revenue metrics show constant improvement in financial health over the ten-year period of this Plan, setting Council up to sustainably deliver water services in the next decade and beyond.

For WDC, average water charges per connection are forecast to increase from around $2,041 in FY25 to around $4,411 in FY34 (in nominal terms). This is a significant increase and could present affordability challenges to some ratepayers in the outer years of the Plan. This is one reason the Council has committed to explore forming a joint water services organisation with Rotorua Lakes Council, Ōpōtiki District Council, and Kawerau District Council (see next section).

The revenue projections:

- are based on revenue required to meet the investment profile the Council developed with the help of advice from Tonkin + Taylor, Beca, and regulators.
- meet additional operating costs included for Council to ensure adequate allowance for overheads, financing costs, and additional costs associated with exploring whether to establish or join a joint water services organisation. A copy of the underlying assumptions can be found in the Appendices.

Financing Sufficiency

As noted, nearly $261.7 million of capital investment is forecast over the WSDP period. Total net water borrowings peak at $217.7 million in FY34. However, net water debt peaks at 461% of net water revenue in FY30 and trends downwards thereafter. The Council can manage the borrowing required within the applicable borrowing limits as presented in Parts D and E of the WSDP.

Borrowing will be undertaken through the LGFA. Council can access whole-of-Council debt up to 280% of net revenue. The projection presented in this Plan ensures whole-of-Council debt would not exceed 246% (in FY30), leaving adequate debt headroom to deal with unexpected events.

Actions required to achieve financially sustainable delivery of water services

All water services will achieve financial sustainability requirements by 30 June 2028. No additional actions are required to achieve financial sustainability of water services by 30 June 2028 beyond the steps already provided for in the Implementation Plan.

The WSDP demonstrates a price path that increases average water charges per connection (in nominal terms) to ensure from $2,041 in FY25 to $4,411 in FY34 with revenues sufficient to deliver decreasing operating deficits (and improving operating surplus ratios) until an operating surplus is achieved in FY34. Revenue is sufficient through the WSDP period to:

- Ensure alignment with ringfencing and financial reporting requirements under the Local Water Done Well framework
- Cover expenses in conjunction with financing across the first nine years of the Plan, and cover all operating expenses, finance costs, overheads and support costs, and depreciation by FY34.

Investment sufficiency is met with capital investment over the forecast period targeted to meet levels of service, renewals, comply with regulatory requirements, and accommodate moderate growth. Investment is relatively smooth across the years of the Plan, because of the smoothing work undertaken by Tonkin + Taylor. Tonkin + Taylor worked with Council on the investment profile to ensure it is sufficient to meet the needs described above.

Financing sufficiency is also met, with forecast debt levels projected to remain well below Council's LGFA borrowing limit. Water supply, wastewater, and stormwater debt will each be separated from general council debt as part of the transition to a Ringfenced structure.

Risks and constraints to achieving financially sustainable delivery of water services

While the Water Services Delivery Plan sets a credible path to financial sustainability by 30 June 2028, there are several risks that could affect this set out in the table below.

Table 45. Risks and mitigations

Risk	Mitigation
Cost escalation There is a risk that actual costs, particularly for large and/or new projects, may exceed estimates. Factors contributing to this include rising construction costs, increased material and labour prices, and changes in project scope due to unforeseen requirements.	Council will manage this risk through: • continuing to explore opportunities for joint procurement, working with the other members of BOPLASS • meetings with local contractors to tell them about works coming up so they can prepare competitive bids • capital delivery controls, e.g. o robust project governance and oversight o strong project execution plans o monitoring and reporting of project progress.
Inflation and interest rate volatility Higher-than-forecast inflation or adverse interest rate movements may increase the cost of borrowing, placing upward pressure on water charges. Rapid rate increases or extended high-rate environments could affect financial sustainability and constrain future capital investment, or lead to price increases.	Council will manage this risk through: • regular engagement with the LGFA • use of interest rate swaps, hedging instruments, forward rate agreements, interest rate options, and other tools • using interest rate control limits • spreading debt across financial institutions and maturity dates • managing variable debt to appropriate percentage levels • dealing with and investing in credit worthy counterparties • evaluating project finance options on their merits.

Risk	Mitigation
Revenue constraints and affordability pressure Projected price paths are designed to balance cost recovery with community affordability. However, sustained increases in charges may encounter public resistance, particularly among fixed-income households. Any delays or political adjustments to planned price increases could create funding shortfalls.	Council will manage this risk through: • education and communications to advise the community of legal requirements, the benefits of higher prices (i.e. the enablement of more investment), and ensuring Council is not constraining growth • continue to review funding to ensure equalisation of schemes where appropriate and to review financial strategy and related policies, such as development contributions (or levies) to ensure costs fall where they should. • continuing to explore the formation of a joint water services organisation.
Regulatory or compliance shocks New or revised drinking water, wastewater, or stormwater regulations could trigger additional unplanned investment. More stringent compliance measures introduced within the forecast period could impact both operating costs and capital priorities. In particular, the incoming Wastewater Standards have not been finalised at the time of writing. This Plan has been prepared on the assumption that the Wastewater Standards will undergo no more than minimal changes before they are finalised.	Council will manage this risk through: • providing dedicated resourcing for regular engagement with regulators • ensuring new resource consent applications are credible and robust to ensure greater clarity of outcome and certainty of conditions. • staying up to date with technological changes and water sector developments that could help Council meet requirements in more affordable or comprehensive ways.
Supply chain and delivery constraints Availability of skilled staff, contractors, engineers, and materials could impact the Council's (and WSO's) ability to deliver the operational programme and/or capital programme on time. Delays can lead to cost inflation and deferment of service improvements.	Council will manage this risk through: • meetings with local contractors to tell them about works coming up so they can ensure they have the right resources • being clear about the programme of capital works and upcoming operational projects so parties can confidently allocate resources • developing innovative procurement policies, particularly where shared services are possible.
Incomplete or evolving asset data Investment decisions are based on the best available asset condition data, but gaps or outdated information could lead to misalignment between investment timing and actual asset needs. This could result in inefficient allocation of capital or emergency spending.	Council will manage this risk by: • running regular asset condition assessments. • Utilising our CCTV camera's to ensure conditions assessments are up to date.
Issues within other councils Up to four councils need to collaborate to explore a joint WSO. A delay or distraction within a potential partner council could delay exploration work yet be out of the direct control of ŌDC.	Council will manage this risk by: • meeting regularly with potential partner Councils as a working group to progress the investigation into forming a joint water services organisation.

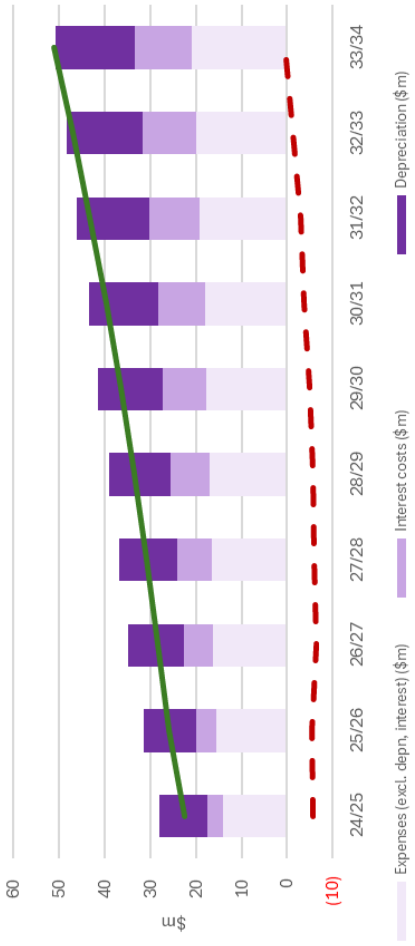
10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

Financial sustainability assessment - revenue sufficiency

Assessment of revenue sufficiency

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

Projected water services revenue and expenses



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

The table below summarises the projected average charge per connection for three waters in the Whakatāne District over the period of this Plan.

Table 46. Average charge per connection for three waters in the Whakatāne District

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	946	1,073	1,202	1,295	1,369	1,421	1,473	1,524	1,573	1,602
Wastewater	586	664	728	814	940	1,117	1,317	1,542	1,796	2,105
Stormwater	509	576	604	619	646	661	675	687	696	704
Average charge per connection / rating unit	**2,041**	**2,313**	**2,534**	**2,728**	**2,954**	**3,199**	**3,465**	**3,753**	**4,065**	**4,411**
Increase in average charge	12.9%	13.3%	9.5%	7.7%	8.3%	8.3%	8.3%	8.3%	8.3%	8.5%
Water services charges as % of median household income	**2.2%**	**2.5%**	**2.6%**	**2.7%**	**2.8%**	**3.0%**	**3.1%**	**3.2%**	**3.4%**	**3.6%**

These figures are based on the following assumptions:

- For median household income, we have taken the figure calculated from 2023 Census data and applied an allowance of one percentage point for labour productivity growth above consumer price index inflation projections used by Council.
- To project the number of connections we took the actual number of connections in 23/24 and applied a percentage annual increase based on historical averages:
    - 0.739% for drinking water
    - 0.757% for wastewater
    - 0.795% for stormwater
- All connections are included in the modelling, e.g. residential and non-residential.

Projected operating surpluses/(deficits) for water services

Operating surplus ratio at the three waters level is presented in the table below.

Table 47. Operating surplus ratio

Operating surplus ratio (whether revenues cover costs)	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	(5,745)	(5,435)	(6,316)	(5,897)	(5,553)	(4,988)	(3,701)	(2,956)	(1,268)	402
Operating revenue – combined water services	22,391	25,923	28,435	30,934	33,535	36,496	39,725	43,242	47,077	51,257
Operating surplus ratio	**(25.7%)**	**(21.0%)**	**(22.2%)**	**(19.1%)**	**(16.6%)**	**(13.7%)**	**(9.3%)**	**(6.8%)**	**(2.7%)**	**0.8%**

Operating deficits

The financial model delivers operating deficits starting at 25.7% of operating revenue in FY25 and decreasing over the first nine years of the Plan until an operating surplus of 0.8% of operating revenue is delivered in FY34. This reflects the significant increase in operating revenue collected over the duration of the Plan against a relatively stable capital investment programme. Inclusion of full depreciation expenses in operating costs also contributes to operating deficits.

The decreasing deficits and achievement of surplus show water services are on a stable financial footing.

Depreciation recovery policy

Council currently aims to fully fund depreciation on water services assets through operating revenues. However, the Council also considers the level of revenue required to adequately fund renewals, taking into account actual asset condition.

Use of surpluses

Where an operating surplus is generated, it will be retained within the water activity to support the renewal of existing infrastructure and reduce reliance on borrowing. Financial projections in this Plan assume that cash surpluses are applied against internal borrowing balances.

Rationale for operating deficits

Operating deficits in the first nine years are considered appropriate given the following:

- Depreciation is included in costs, but not fully funded in cash terms

- The use of some debt funding for renewals spreads costs across generations, in line with the intergenerational equity principle
- Planned deficits are within prudent levels, decrease over time until surplus is reached, and are supported by sufficient borrowing capacity.

Projected operating cash surpluses for water services

Operating cash ratio at the three waters level is presented in the table below.

Table 4821. Operating cash ratio

Operating cash ratio (whether revenues cover costs)	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	8,338	10,366	12,279	14,394	16,461	18,731	21,678	24,030	27,259	30,378
Operating revenue – combined water services	22,391	25,923	28,435	30,934	33,535	36,496	39,725	43,242	47,077	51,257
Operating cash ratio	**37.2%**	**40.0%**	**43.2%**	**46.5%**	**49.1%**	**51.3%**	**54.6%**	**55.6%**	**57.9%**	**59.3%**

Operating Cash Ratio is a financial metric that measures an entity's ability to pay off its current liabilities using the cash generated from its core business operations.

Operating cashflows

The projected operating cash ratio for three waters improves throughout the forecast period, starting at 37.2% in FY25 and rising to 59.2% in FY34. This indicates that operating activities are forecast to generate stronger results year-on-year, starting with reduced operating deficits until an operating surplus is reached.

Operating surpluses/(deficits) + depreciation + interest costs – capital revenue follows this trajectory, improving from $8.3 million in FY25 to $30.4 million in FY34.

These figures reflect the underlying cash-generating strength of water activities.

Application of operating cash surpluses

Operating cash surpluses generated from operating activities will primarily be applied to:

- Renewals and upgrades of critical water infrastructure, reducing the reliance on new debt.
- Servicing and repaying existing debt, especially where renewals have been funded through borrowing in prior years.
- Building resilience by supporting contingency and asset management provisions in the face of regulatory change, growth, or climate-related risks.

Sufficiency of operating cashflows

Projected operating cashflows are sufficient to meet:

- Scheduled renewals requirements, particularly for network and plant assets nearing the end of their useful life.
- Debt servicing obligations, including interest and principal repayments, ensuring compliance with Treasury policy limits and maintaining financial sustainability.
- Operating cost requirements.
- Financial covenants.

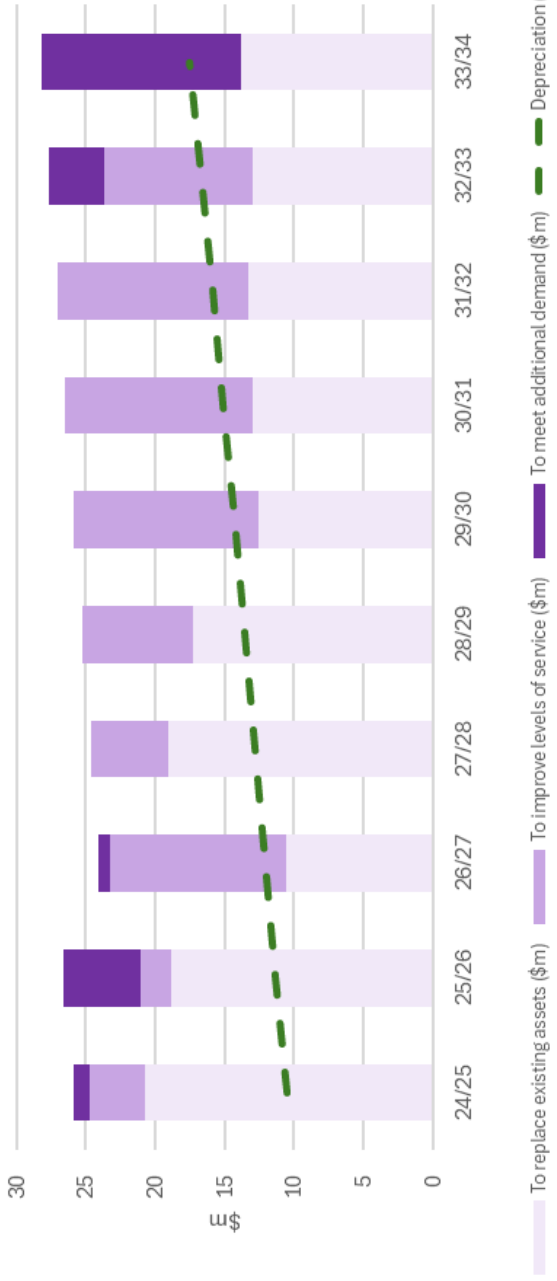
10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

Financial sustainability assessment - investment sufficiency

Assessment of investment sufficiency

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

Projected water services investment requirements



Renewals requirements for water services

Table 49. Asset sustainability ratio

Asset sustainability ratio	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	20,712	18,863	10,534	19,087	17,281	12,599	12,977	13,303	13,000	13,778
Depreciation – all water services assets	10,531	11,315	12,030	12,762	13,514	14,285	15,074	15,881	16,704	17,545
Asset sustainability ratio	**96.7%**	**66.7%**	**(12.4%)**	**49.6%**	**27.9%**	**(11.8%)**	**(13.9%)**	**(16.2%)**	**(22.2%)**	**(21.5%)**

Asset Sustainability Ratio is a financial metric used primarily in public sector accounting and infrastructure management to assess whether an organisation is replacing its assets at the rate they are wearing out.

The proposed levels of renewals investment have been developed through an evidence-based planning process, underpinned by the technical expertise and operational insights of senior engineering staff. This approach ensures that investment decisions are grounded in a practical understanding of asset condition, performance trends, and service delivery risks.

Engineering judgement has been applied alongside asset data and lifecycle modelling to determine what investments are required and when. This ensures that the timing and scale of renewals are both technically justified and operationally viable.

The proposed renewals investment profile is directly aligned with the work undertaken by Tonkin + Taylor to develop a practical capex profile that met the investment needs across renewals, LOS improvements, growth and regulatory requirements.

Rationale for renewals investment below depreciation

Depreciation exceeds renewals capex in six of the ten years in the Plan. Across the life of the Plan there is an asset sustainability ratio of 8.9%.

This is considered appropriate for two main reasons:

- **Timing of renewals**: The renewals investment profile is weighted towards some years (primarily the years with a positive asset sustainability ratio). This reflects the actual condition and expected remaining useful life of key assets, consistent with asset management planning and lifecycle modelling.
- **Classification of investment**: Some capital investments span multiple categories (renewals, LOS, growth). This makes precise categorisation challenging.

Total water services investment required over 10 years

Table 50. Asset investment ratio

Asset investment ratio	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	25,861	26,633	24,047	24,672	25,289	25,871	26,466	27,048	27,616	28,196
Depreciation – all water services assets	10,531	11,315	12,030	12,762	13,514	14,285	15,074	15,881	16,704	17,545
Asset investment ratio	**145.6%**	**135.4%**	**99.9%**	**93.3%**	**87.1%**	**81.1%**	**75.6%**	**70.3%**	**65.3%**	**60.7%**

Determining the proposed levels of investment

The Asset Investment Ratio measures how much an organisation is investing in new or replacement assets relative to its existing asset base. It's often used to assess whether an entity is expanding, maintaining, or underinvesting in its infrastructure or capital assets.

As described above, the proposed capital expenditure profile was developed with Tonkin + Taylor to develop a capex profile that met the investment needs across renewals, LOS improvements, growth and regulatory requirements. Capex in this profile exceeds the projections in the long-term plan by approximately $25 million in real terms.

The proposed levels of investment have been developed through an evidence-based planning process, underpinned by the technical expertise and operational insights of senior engineering staff. This approach ensures that investment decisions are grounded in a practical understanding of asset condition, performance trends, and service delivery risks.

Engineering judgement has been applied alongside asset data and lifecycle modelling to determine what investments are required and when. This ensures that the timing and scale of renewals are both technically justified and operationally viable.

The asset investment ratio decreases across the ten-year period

The asset investment ratio decreases across the period. It starts at 145.6% in FY25 and falls year-on-year to 60.7% in FY34. This reflects the quantum of depreciation increasing while capex remains relatively stable.

This pattern is intentional and reflects the practical realities of delivering a large-scale capital programme while maintaining revenue sufficiency and financing sufficiency. The programme has been sequenced to ensure both deliverability and affordability across the 10-year horizon.

Alignment with strategic documents

The asset investment ratio shows an increase in investment activity compared to historic levels as a result of the reprofiling of planned expenditure and to ensure the capital programme is consistent with investment sufficiency. The current Asset Management Plan and Infrastructure Strategy were developed before the legislation to give effect to Local Water Done Well was in Parliament. While much of these strategic documents remains relevant, the heightened focus on investment sufficiency from LWDW means this capital programme exceeds the approach described in the AMP or Infrastructure Strategy.

Average remaining useful life of network assets

Table 51. Asset consumption ratio

Asset consumption ratio	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	338,158	353,476	381,939	393,849	425,563	437,148	469,774	480,941	515,215	525,867
Replacement value of water infrastructure assets	720,195	746,828	805,624	830,296	897,619	923,490	994,815	1,021,863	1,099,117	1,127,313
Asset consumption ratio	**47.0%**	**47.3%**	**47.4%**	**47.4%**	**47.4%**	**47.3%**	**47.2%**	**47.1%**	**46.9%**	**46.6%**

The Asset Consumption Ratio is a financial indicator used to assess the age and condition of an organisation's assets, particularly in public sector organisations or infrastructure-heavy entities. It shows the proportion of the asset's value that has been consumed (depreciated) over time.

The Water Services Delivery Plan proposes a sustained programme of capital investment to renew, enhance and expand the district's water infrastructure. Over the forecast period, the book value of water infrastructure assets increases from $338.158 million to $525.867 million, while the replacement value grows from $720.195 million to $1,127.313 million. This reflects both ongoing investment and inflationary revaluation of the asset base.

There is minor variation in the asset consumption ratio across the ten years of the Plan. This is not unexpected and reflects that while renewals are occurring, some key asset groups are still partway through their lifecycle and are not yet due for major replacement. The minor variation in asset consumption ratio is immaterial.

The renewals investment profile has some variability. Renewals investment is lowest in FY27 with $10.534 million to be invested that year, and highest in FY25 with $20.712 million invested. This aligns with conditions assessments and asset age profiles. As noted elsewhere, the overall capital profile is relatively smooth.

Financial sustainability assessment – financing sufficiency

Assessment of financing sufficiency
Confirmation that sufficient funding and financing can be secured to deliver water services

Council borrowing limits

Projected total Council borrowings, including those relating to water services, remain within the Council's borrowing limits. As a rated local authority and a member of the LGFA, WDC maintains a whole-of-Council borrowing cap of 280% net debt-to-revenue, with an internal policy limit of 250%.

Water services borrowing limits

Total water borrowings are projected to peak at $217.7 million in FY34. These water borrowings are required to meet investment needs and meet financial covenants over the forecast period. This quantum remains within the LGFA covenants for Council as outlined in this Part. For comparison, the maximum allowable net debt in FY34 is projected to be $256.3 million.

Financing sufficiency test

On the basis of the above, WDC confirms that the WSDP satisfies the financing sufficiency test:

- Total Council borrowings are projected to be within the relevant borrowing limits.
- Borrowing capacity exists to meet forecast capital investment, with allowance for additional headroom to provide for unforeseen contingencies.
- Operating balances improve and financial covenants remain robust and sustainable over the forecast period.

The proposed financing approach provides the necessary flexibility, liquidity, and resilience to support full delivery of the water services programme while maintaining compliance with fiscal and risk management parameters.

This part sets out performance against the relevant metrics.

Projected council borrowings against borrowing limits	Projected water services borrowings against borrowing limits

Projected borrowings for water services

Table 52. Net water debt to net water operating revenue

Net debt to operating revenue	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)	79,568	99,912	117,801	135,153	152,014	168,111	182,715	196,340	208,011	217,741
Operating revenue – combined water services	22,391	25,923	28,435	30,934	33,535	36,496	39,725	43,242	47,077	51,257
Net debt to operating revenue %	**355%**	**385%**	**414%**	**437%**	**453%**	**461%**	**460%**	**454%**	**442%**	**425%**

Total net debt increases across the duration of this Plan. However, net debt to operating revenue increases from $355% in FY25 to $461% in FY30 before subsiding to $425% in FY34.

The trajectory of net debt to operating revenue reflects that increases in total net debt exceed increases in operating revenue in the early years of the plan before the trend is reversed from FY31.

As set else elsewhere, capex is relatively stable across the ten-year period.

The increase in total net debt is consistent with Council's investment plans, and the council remains within its covenants.

Council confirms that:

- All water-related borrowing remains within Council's financial strategy limits for water services.
- These debt levels are considered prudent and sustainable, given the long-life nature of infrastructure assets and the intergenerational equity of funding renewals through debt. Net debt to operating revenue is trending down from FY31.
- Borrowing escalates to deliver a capital programme that is reasonably stable and consistent year-on-year and exceeds historic delivery.

If WDC joins a multi-council water services organisation it expects the WSO to adopt its own prudent debt policies and manage borrowing requirements in accordance with its statutory funding framework, based on LGFA covenants. Council will continue to monitor debt servicing capacity and revenue sufficiency throughout the WSDP period to ensure financial sustainability.

Borrowing headroom/(shortfall) for water services

Table 53. Borrowing headroom against 500% limit

Borrowing headroom/(shortfall) against limit	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating revenue	22,391	25,923	28,435	30,934	33,535	36,496	39,725	43,242	47,077	51,257
Debt to revenue limit for water services (%)	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt at borrowing limit	**111,955**	**129,617**	**142,175**	**154,668**	**167,673**	**182,482**	**198,624**	**216,212**	**235,387**	**256,283**
Projected net debt attributed to water services	79,568	99,912	117,801	135,153	152,014	168,111	182,715	196,340	208,011	217,741

Borrowing headroom/(shortfall) against limit	**32,387**	**29,705**	**24,373**	**19,515**	**15,659**	**14,372**	**15,908**	**19,872**	**27,376**	**38,542**

Across the full FY25-FY34 period, all water services activities remain within borrowing limits, with no projected shortfalls against the indicative threshold of water debt remaining under 500% of water revenue. For combined water services, borrowing headroom against this limit remains throughout, ranging from $14.4 million at its lowest in in FY30 to $38.5 million in FY34. This provides a buffer to manage delivery risks, timing variations, or cost escalation in the capital programme.

Borrowing headroom is even greater at the whole-of-Council level against the 280% limit. Under the projections for water, whole-of-Council debt headroom is no lower than $45.6 million in FY30.

As noted, revenue and operating funding increase throughout the ten years of the Plan to ensure the ratio of debt-to-revenue is on a financially sustainable footing.

Free funds from operations

Table 5422. Free funds from operations to net debt ratio

Free funds from operations	**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	79,568	99,912	117,801	135,153	152,014	168,111	182,715	196,340	208,011	217,741
Projected free funds from operations – water services	4,786	5,880	5,714	6,866	7,961	9,297	11,373	12,925	15,436	17,947
Free funds from operations to net debt ratio	**6.0%**	**5.9%**	**4.9%**	**5.1%**	**5.2%**	**5.5%**	**6.2%**	**6.6%**	**7.4%**	**8.2%**

FFO to net debt ratio is less important for water services delivery through a standalone internal business unit than it is for a water services organisation. This Plan does not model a WSO scenario.

For the standalone council projections, the FFO to net debt ratio ranges from a low of 4.9% in FY27 to a high of 8.2% in FY34. This improvement in gearing broadly tracks with the ratio of net debt to operating revenue.

Part E: Projected financial statements for water services

Projected financial statements – for drinking water, wastewater, stormwater and combined water services
Projected funding impact statement

Table 5523. Combined water services funding impact statement

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

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										
General rates	517	505	507	509	517	519	521	523	512	514
Targeted rates	21,299	24,518	27,245	29,724	32,422	35,370	38,583	42,087	45,920	50,086
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	239	565	324	332	158	162	164	231	235	239
Fees and charges	336	335	359	368	437	446	457	401	410	418
Total sources of operating funding	**22,391**	**25,923**	**28,435**	**30,934**	**33,535**	**36,496**	**39,725**	**43,242**	**47,077**	**51,257**
Applications of operating funding										
Payments to staff and suppliers	8,505	9,311	9,662	10,005	10,510	10,935	11,151	12,161	12,529	13,543
Finance costs	3,552	4,487	6,564	7,529	8,500	9,434	10,305	11,106	11,823	12,431
Internal charges and overheads applied	5,548	6,246	6,495	6,535	6,564	6,831	6,896	7,051	7,289	7,336
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**17,605**	**20,044**	**22,721**	**24,068**	**25,573**	**27,199**	**28,352**	**30,318**	**31,641**	**33,310**
Surplus/(deficit) of operating funding	**4,786**	**5,880**	**5,714**	**6,866**	**7,961**	**9,297**	**11,373**	**12,925**	**15,436**	**17,947**
Source of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	422	409	444	455	467	477	488	499	509	519
Increase/(decrease) in debt	20,653	20,344	17,889	17,352	16,861	16,097	14,605	13,624	11,671	9,730
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	**21,075**	**20,753**	**18,333**	**17,807**	**17,328**	**16,574**	**15,093**	**14,123**	**12,180**	**10,249**
Applications of capital funding										
Capital expenditure - to meet additional demand	1,133	5,575	760	0	0	0	0	0	3,961	14,418
Capital expenditure - to improve levels of services	4,015	2,195	12,753	5,585	8,008	13,272	13,489	13,745	10,655	0

Capital expenditure - to replace existing assets	20,712	18,863	10,534	19,087	17,281	12,599	12,977	13,303	13,000	13,778
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	**25,861**	**26,633**	**24,047**	**24,672**	**25,289**	**25,871**	**26,466**	**27,048**	**27,616**	**28,196**
Surplus/(deficit) of capital funding	**(4,786)**	**(5,880)**	**(5,715)**	**(6,866)**	**(7,961)**	**(9,297)**	**(11,373)**	**(12,925)**	**(15,436)**	**(17,947)**
Funding balance	**0**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 56. Water supply funding impact statement

Projected funding impact statement - water supply	**FY2024/25**	**FY2025/26**	**FY2026/27**	**FY2027/28**	**FY2028/29**	**FY2029/30**	**FY2030/31**	**FY2031/32**	**FY2032/33**	**FY2033/34**
Sources of operating funding										
General rates	0	0	0	0	0	0	0	0	0	0
Targeted rates	10,856	12,452	14,082	15,323	16,285	17,004	17,722	18,439	19,143	19,573
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	108	166	76	77	79	80	82	83	85	86
Fees and charges	60	59	64	66	68	69	72	72	74	75
Total sources of operating funding	**11,024**	**12,677**	**14,222**	**15,467**	**16,432**	**17,153**	**17,876**	**18,594**	**19,302**	**19,734**
Applications of operating funding										
Payments to staff and suppliers	4,807	5,114	5,392	5,514	5,685	5,838	6,029	6,169	6,432	6,553
Finance costs	1,677	2,021	2,735	3,258	3,570	3,628	3,668	3,688	3,691	3,684
Internal charges and overheads applied	2,280	2,496	2,593	2,603	2,660	2,770	2,793	2,857	2,958	2,973
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**8,764**	**9,631**	**10,720**	**11,375**	**11,915**	**12,236**	**12,490**	**12,714**	**13,082**	**13,209**
Surplus/(deficit) of operating funding	**2,260**	**3,046**	**3,501**	**4,092**	**4,517**	**4,918**	**5,386**	**5,880**	**6,220**	**6,524**
Source of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0

Development and financial contributions	227	220	239	245	252	257	263	269	275	280
Increase/(decrease) in debt	12,914	7,002	3,479	9,370	5,325	667	327	(41)	(260)	(438)
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	**13,141**	**7,222**	**3,718**	**9,615**	**5,577**	**924**	**590**	**228**	**15**	**(158)**
Applications of capital funding										
Capital expenditure - to meet additional demand	0	0	760	0	0	0	0	0	0	0
Capital expenditure - to improve levels of services	3,897	204	1,789	1,175	0	0	0	0	0	0
Capital expenditure - to replace existing assets	11,503	10,064	4,670	12,532	10,094	5,841	5,976	6,107	6,236	6,366
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	**15,401**	**10,268**	**7,219**	**13,707**	**10,094**	**5,841**	**5,976**	**6,107**	**6,236**	**6,366**
Surplus/(deficit) of capital funding	**(2,260)**	**(3,046)**	**(3,502)**	**(4,092)**	**(4,517)**	**(4,918)**	**(5,386)**	**(5,880)**	**(6,220)**	**(6,524)**
Funding balance	**0**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Table 57. Wastewater funding impact statement

Projected funding impact statement - wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	175	172	170	171	176	177	179	180	181	182
Targeted rates	6,061	6,981	7,753	8,778	10,217	12,251	14,564	17,189	20,166	23,791
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	27	123	28	29	(31)	(31)	(33)	31	31	31
Fees and charges	276	276	295	302	369	377	385	329	336	343
Total sources of operating funding	**6,539**	**7,552**	**8,246**	**9,280**	**10,731**	**12,774**	**15,095**	**17,729**	**20,714**	**24,347**

Applications of operating funding										
Payments to staff and suppliers	2,941	3,338	3,347	3,545	3,869	4,105	4,108	4,944	5,005	5,870
Finance costs	796	1,355	2,465	2,946	3,649	4,588	5,489	6,348	7,148	7,856
Internal charges and overheads applied	1,731	1,948	2,002	2,015	2,062	2,145	2,168	2,217	2,290	2,307
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**5,467**	**6,641**	**7,813**	**8,506**	**9,580**	**10,838**	**11,764**	**13,509**	**14,443**	**16,034**
Surplus/(deficit) of operating funding	**1,072**	**911**	**433**	**774**	**1,151**	**1,936**	**3,331**	**4,220**	**6,271**	**8,313**
Source of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	191	185	201	206	211	216	221	226	230	235
Increase/(decrease) in debt	4,344	13,112	14,870	8,662	12,477	16,588	15,619	15,146	13,504	11,876
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	**4,535**	**13,297**	**15,071**	**8,868**	**12,688**	**16,804**	**15,840**	**15,372**	**13,734**	**12,111**
Applications of capital funding										
Capital expenditure - to meet additional demand	1,133	5,575	0	0	0	0	0	0	3,961	14,418
Capital expenditure - to improve levels of services	118	1,991	10,838	4,316	7,912	13,272	13,489	13,745	10,655	0
Capital expenditure - to replace existing assets	4,356	6,642	4,666	5,326	5,927	5,468	5,682	5,848	5,388	6,007
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	**5,608**	**14,208**	**15,504**	**9,642**	**13,839**	**18,740**	**19,171**	**19,593**	**20,004**	**20,424**
Surplus/(deficit) of capital funding	**(1,072)**	**(911)**	**(433)**	**(774)**	**(1,151)**	**(1,936)**	**(3,331)**	**(4,220)**	**(6,271)**	**(8,313)**
Funding balance	**(0)**	**(0)**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**

Table 58. Stormwater funding impact statement

Projected funding impact statement - stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
General rates	342	333	337	338	341	342	342	343	331	332
Targeted rates	4,382	5,085	5,410	5,622	5,920	6,115	6,296	6,459	6,611	6,723
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	104	276	221	226	111	113	115	117	119	122
Fees and charges	0	0	0	0	0	0	0	0	0	0
Total sources of operating funding	**4,827**	**5,694**	**5,967**	**6,187**	**6,372**	**6,569**	**6,753**	**6,919**	**7,062**	**7,176**
Applications of operating funding										
Payments to staff and suppliers	758	858	923	946	956	992	1,014	1,048	1,092	1,119
Finance costs	1,079	1,111	1,365	1,325	1,280	1,219	1,149	1,069	983	891
Internal charges and overheads applied	1,537	1,802	1,900	1,916	1,842	1,915	1,935	1,977	2,041	2,056
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	**3,373**	**3,771**	**4,187**	**4,187**	**4,078**	**4,126**	**4,097**	**4,094**	**4,116**	**4,067**
Surplus/(deficit) of operating funding	**1,454**	**1,923**	**1,780**	**2,000**	**2,293**	**2,443**	**2,656**	**2,825**	**2,946**	**3,109**
Source of capital funding										
Subsidies and grants for capital expenditure	0	0	0	0	0	0	0	0	0	0
Development and financial contributions	4	4	4	4	4	4	4	4	4	4
Increase/(decrease) in debt	3,395	230	(460)	(680)	(941)	(1,158)	(1,341)	(1,480)	(1,573)	(1,708)
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	**3,399**	**234**	**(456)**	**(676)**	**(937)**	**(1,154)**	**(1,337)**	**(1,477)**	**(1,569)**	**(1,704)**
Applications of capital funding										
Capital expenditure - to meet additional demand	0	0	0	0	0	0	0	0	0	0

Capital expenditure - to improve levels of services	0	0	125	94	96	0	0	0	0	0
Capital expenditure - to replace existing assets	4,853	2,157	1,198	1,230	1,260	1,289	1,319	1,348	1,376	1,405
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	**4,853**	**2,157**	**1,324**	**1,324**	**1,357**	**1,289**	**1,319**	**1,348**	**1,376**	**1,405**
Surplus/(deficit) of capital funding	**(1,454)**	**(1,923)**	**(1,780)**	**(2,000)**	**(2,293)**	**(2,443)**	**(2,656)**	**(2,825)**	**(2,946)**	**(3,109)**
Funding balance	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Projected statement of comprehensive revenue and expense

Table 59. Combined water services projected statement of revenue and expense

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										
Operating revenue	22,391	25,923	28,435	30,934	33,535	36,496	39,725	43,242	47,077	51,257
Other revenue	422	409	444	455	467	477	488	499	509	519
Total revenue	**22,813**	**26,332**	**28,879**	**31,389**	**34,001**	**36,973**	**40,213**	**43,741**	**47,586**	**51,776**
Expenses										
Operating expenses	8,505	9,311	9,662	10,005	10,510	10,935	11,151	12,161	12,529	13,543
Finance costs	3,552	4,487	6,564	7,529	8,500	9,434	10,305	11,106	11,823	12,431
Overheads and support costs	5,548	6,246	6,495	6,535	6,564	6,831	6,896	7,051	7,289	7,336
Depreciation & amortisation	10,531	11,315	12,030	12,762	13,514	14,285	15,074	15,881	16,704	17,545
Total expenses	**28,136**	**31,359**	**34,751**	**36,831**	**39,087**	**41,485**	**43,426**	**46,199**	**48,345**	**50,855**
Net surplus/(deficit)	**(5,323)**	**(5,026)**	**(5,872)**	**(5,442)**	**(5,086)**	**(4,511)**	**(3,214)**	**(2,457)**	**(759)**	**921**
Revaluation of infrastructure assets	8,793	0	16,447	0	19,939	0	21,235	0	23,362	0
Total comprehensive income	**3,470**	**(5,026)**	**10,574**	**(5,442)**	**14,853**	**(4,511)**	**18,021**	**(2,457)**	**22,603**	**921**
Cash surplus/(deficit) from operations (ex-non-cash items)	**5,208**	**6,289**	**6,158**	**7,320**	**8,428**	**9,774**	**11,861**	**13,424**	**15,945**	**18,466**

Table 60. Water supply projected statement of revenue and expense

Projected statement of profit and loss - water supply	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	11,024	12,677	14,222	15,467	16,432	17,153	17,876	18,594	19,302	19,734
Other revenue	227	220	239	245	252	257	263	269	275	280
Total revenue	**11,251**	**12,897**	**14,461**	**15,712**	**16,684**	**17,410**	**18,139**	**18,863**	**19,577**	**20,014**
Expenses										
Operating expenses	4,807	5,114	5,392	5,514	5,685	5,838	6,029	6,169	6,432	6,553
Finance costs	1,677	2,021	2,735	3,258	3,570	3,628	3,668	3,688	3,691	3,684
Overheads and support costs	2,280	2,496	2,593	2,603	2,660	2,770	2,793	2,857	2,958	2,973
Depreciation & amortisation	5,264	5,573	5,790	6,202	6,506	6,682	6,862	7,046	7,234	7,425
Total expenses	**14,028**	**15,204**	**16,510**	**17,577**	**18,421**	**18,918**	**19,352**	**19,760**	**20,315**	**20,634**
Net surplus/(deficit)	**(2,777)**	**(2,307)**	**(2,050)**	**(1,866)**	**(1,738)**	**(1,508)**	**(1,213)**	**(897)**	**(738)**	**(621)**
Revaluation of infrastructure assets	3,943	0	7,425	0	8,907	0	9,112	0	9,466	0
Total comprehensive income	**1,166**	**(2,307)**	**5,375**	**(1,866)**	**7,169**	**(1,508)**	**7,899**	**(897)**	**8,728**	**(621)**
Cash surplus/(deficit) from operations (ex-non-cash items)	**2,487**	**3,266**	**3,740**	**4,337**	**4,769**	**5,175**	**5,649**	**6,149**	**6,495**	**6,804**

Table 6124. Wastewater projected statement of revenue and expense

Projected statement of profit and loss - wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	6,539	7,552	8,246	9,280	10,731	12,774	15,095	17,729	20,714	24,347
Other revenue	191	185	201	206	211	216	221	226	230	235
Total revenue	**6,730**	**7,737**	**8,447**	**9,486**	**10,942**	**12,990**	**15,316**	**17,955**	**20,944**	**24,582**
Expenses										
Operating expenses	2,941	3,338	3,347	3,545	3,869	4,105	4,108	4,944	5,005	5,870
Finance costs	796	1,355	2,465	2,946	3,649	4,588	5,489	6,348	7,148	7,856
Overheads and support costs	1,731	1,948	2,002	2,015	2,062	2,145	2,168	2,217	2,290	2,307
Depreciation & amortisation	3,170	3,602	4,074	4,367	4,788	5,357	5,940	6,536	7,144	7,765
Total expenses	**8,638**	**10,243**	**11,887**	**12,873**	**14,367**	**16,195**	**17,704**	**20,045**	**21,587**	**23,799**
Net surplus/(deficit)	**(1,907)**	**(2,506)**	**(3,440)**	**(3,387)**	**(3,425)**	**(3,205)**	**(2,388)**	**(2,089)**	**(643)**	**783**
Revaluation of infrastructure assets	2,396	0	4,699	0	6,197	0	7,337	0	8,970	0
Total comprehensive income	**489**	**(2,506)**	**1,260**	**(3,387)**	**2,772**	**(3,205)**	**4,949**	**(2,089)**	**8,327**	**783**
Cash surplus/(deficit) from operations (ex-non-cash items)	**1,263**	**1,096**	**634**	**980**	**1,362**	**2,152**	**3,552**	**4,446**	**6,501**	**8,548**

Table 62. Stormwater projected statement of revenue and expense

Projected statement of profit and loss - stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	4,827	5,694	5,967	6,187	6,372	6,569	6,753	6,919	7,062	7,176
Other revenue	4	4	4	4	4	4	4	4	4	4
Total revenue	**4,831**	**5,698**	**5,971**	**6,191**	**6,376**	**6,573**	**6,757**	**6,923**	**7,066**	**7,180**
Expenses										
Operating expenses	758	858	923	946	956	992	1,014	1,048	1,092	1,119
Finance costs	1,079	1,111	1,365	1,325	1,280	1,219	1,149	1,069	983	891
Overheads and support costs	1,537	1,802	1,900	1,916	1,842	1,915	1,935	1,977	2,041	2,056
Depreciation & amortisation	2,097	2,140	2,167	2,193	2,220	2,246	2,272	2,299	2,327	2,355
Total expenses	**5,471**	**5,912**	**6,354**	**6,380**	**6,298**	**6,372**	**6,370**	**6,394**	**6,443**	**6,422**
Net surplus/(deficit)	**(639)**	**(213)**	**(383)**	**(190)**	**77**	**201**	**387**	**529**	**623**	**758**
Revaluation of infrastructure assets	2,455	0	4,322	0	4,835	0	4,786	0	4,926	0
Total comprehensive income	**1,815**	**(213)**	**3,940**	**(190)**	**4,912**	**201**	**5,173**	**529**	**5,548**	**758**
Cash surplus/(deficit) from operations (ex-non-cash items)	**1,458**	**1,927**	**1,784**	**2,004**	**2,297**	**2,447**	**2,660**	**2,828**	**2,950**	**3,113**

Projected statement of cashflows

Table 63. Combined water services projected statement of cashflows

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										
Cash surplus/(deficit) from operations	5,208	6,289	6,158	7,320	8,428	9,774	11,861	13,424	15,945	18,466
(Other items)										
Net cashflows from operating activities	**5,208**	**6,289**	**6,158**	**7,320**	**8,428**	**9,774**	**11,861**	**13,424**	**15,945**	**18,466**
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(25,861)	(26,633)	(24,047)	(24,672)	(25,289)	(25,871)	(26,466)	(27,048)	(27,616)	(28,196)
(Other items)										
Net cashflows from investing activities	**(25,861)**	**(26,633)**	**(24,047)**	**(24,672)**	**(25,289)**	**(25,871)**	**(26,466)**	**(27,048)**	**(27,616)**	**(28,196)**
Cashflows from financing activities										
New borrowings	20,653	20,344	17,889	17,352	16,861	16,097	14,605	13,624	11,671	9,730
Repayment of borrowings										
Net cashflows from financing activities	**20,653**	**20,344**	**17,889**	**17,352**	**16,861**	**16,097**	**14,605**	**13,624**	**11,671**	**9,730**
Net increase/(decrease) in cash and cash equivalents	**0**	**0**	**(0)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents at beginning of year	2,088	2,088	2,088	2,088	2,088	2,088	2,088	2,088	2,088	2,088
Cash and cash equivalents at end of year	**2,088**	**2,088**	**2,088**	**2,088**	**2,088**	**2,088**	**2,088**	**2,088**	**2,088**	**2,088**

Table 64. Water supply projected statement of cashflows

Projected statement of cashflows - water supply	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	2,487	3,266	3,740	4,337	4,769	5,175	5,649	6,149	6,495	6,804
(Other items)										
Net cashflows from operating activities	**2,487**	**3,266**	**3,740**	**4,337**	**4,769**	**5,175**	**5,649**	**6,149**	**6,495**	**6,804**
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(15,401)	(10,268)	(7,219)	(13,707)	(10,094)	(5,841)	(5,976)	(6,107)	(6,236)	(6,366)
(Other items)										
Net cashflows from investing activities	**(15,401)**	**(10,268)**	**(7,219)**	**(13,707)**	**(10,094)**	**(5,841)**	**(5,976)**	**(6,107)**	**(6,236)**	**(6,366)**
Cashflows from financing activities										
New borrowings	12,914	7,002	3,479	9,370	5,325	667	327	(41)	(260)	(438)
Repayment of borrowings										
Net cashflows from financing activities	**12,914**	**7,002**	**3,479**	**9,370**	**5,325**	**667**	**327**	**(41)**	**(260)**	**(438)**
Net increase/(decrease) in cash and cash equivalents	**0**	**0**	**(0)**	**0**	**0**	**0**	**(0)**	**0**	**(0)**	**(0)**
Cash and cash equivalents at beginning of year	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587
Cash and cash equivalents at end of year	**1,587**	**1,587**	**1,587**	**1,587**	**1,587**	**1,587**	**1,587**	**1,587**	**1,587**	**1,587**

Table 65. Wastewater projected statement of cashflows

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

Projected statement of cashflows - wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	1,263	1,096	634	980	1,362	2,152	3,552	4,446	6,501	8,548
(Other items)										
Net cashflows from operating activities	**1,263**	**1,096**	**634**	**980**	**1,362**	**2,152**	**3,552**	**4,446**	**6,501**	**8,548**
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(5,608)	(14,208)	(15,504)	(9,642)	(13,839)	(18,740)	(19,171)	(19,593)	(20,004)	(20,424)
(Other items)										
Net cashflows from investing activities	**(5,608)**	**(14,208)**	**(15,504)**	**(9,642)**	**(13,839)**	**(18,740)**	**(19,171)**	**(19,593)**	**(20,004)**	**(20,424)**
Cashflows from financing activities										
New borrowings	4,344	13,112	14,870	8,662	12,477	16,588	15,619	15,146	13,504	11,876
Repayment of borrowings										
Net cashflows from financing activities	**4,344**	**13,112**	**14,870**	**8,662**	**12,477**	**16,588**	**15,619**	**15,146**	**13,504**	**11,876**
Net increase/(decrease) in cash and cash equivalents	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents at beginning of year	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)
Cash and cash equivalents at end of year	**(2,423)**	**(2,423)**	**(2,423)**	**(2,423)**	**(2,423)**	**(2,423)**	**(2,423)**	**(2,423)**	**(2,423)**	**(2,423)**

Table 66. Stormwater projected statement of cashflows

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

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										
Cash surplus/(deficit) from operations	1,458	1,927	1,784	2,004	2,297	2,447	2,660	2,828	2,950	3,113
(Other items)										
Net cashflows from operating activities	**1,458**	**1,927**	**1,784**	**2,004**	**2,297**	**2,447**	**2,660**	**2,828**	**2,950**	**3,113**
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(4,853)	(2,157)	(1,324)	(1,324)	(1,357)	(1,289)	(1,319)	(1,348)	(1,376)	(1,405)
(Other items)										
Net cashflows from investing activities	**(4,853)**	**(2,157)**	**(1,324)**	**(1,324)**	**(1,357)**	**(1,289)**	**(1,319)**	**(1,348)**	**(1,376)**	**(1,405)**
Cashflows from financing activities										
New borrowings	3,395	230	(460)	(680)	(941)	(1,158)	(1,341)	(1,480)	(1,573)	(1,708)
Repayment of borrowings										
Net cashflows from financing activities	**3,395**	**230**	**(460)**	**(680)**	**(941)**	**(1,158)**	**(1,341)**	**(1,480)**	**(1,573)**	**(1,708)**
Net increase/(decrease) in cash and cash equivalents	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Cash and cash equivalents at beginning of year	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924
Cash and cash equivalents at end of year	**2,924**	**2,924**	**2,924**	**2,924**	**2,924**	**2,924**	**2,924**	**2,924**	**2,924**	**2,924**

Projected statement of financial position

Table 67. Combined water services projected statement of financial position

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										
Cash and cash equivalents	2,088	2,088	2,088	2,088	2,088	2,088	2,088	2,088	2,088	2,088
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets	338,158	353,476	381,939	393,849	425,563	437,148	469,774	480,941	515,215	525,867
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	**340,246**	**355,564**	**384,027**	**395,937**	**427,650**	**439,236**	**471,862**	**483,029**	**517,303**	**527,954**
Liabilities										
Borrowings – current portion	0	0	0	0	0	0	0	0	0	0
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion	81,656	102,000	119,889	137,241	154,101	170,198	184,803	198,428	210,098	219,829
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	**81,656**	**102,000**	**119,889**	**137,241**	**154,101**	**170,198**	**184,803**	**198,428**	**210,098**	**219,829**
Net assets	**258,590**	**253,564**	**264,138**	**258,696**	**273,549**	**269,038**	**287,059**	**284,602**	**307,205**	**308,126**
Equity										
Revaluation reserves	8,793	8,793	25,239	25,239	45,178	45,178	66,413	66,413	89,775	89,775
Other reserves	249,797	244,771	238,899	233,457	228,371	223,859	220,646	218,189	217,430	218,350
Total equity	**258,590**	**253,564**	**264,138**	**258,696**	**273,549**	**269,038**	**287,059**	**284,602**	**307,205**	**308,126**

Table 68. Water supply projected statement of financial position

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										
Cash and cash equivalents	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587	1,587
Other current assets										
Infrastructure assets	154,884	159,579	168,433	175,938	188,432	187,591	195,817	194,879	203,347	202,288
Other non-current assets										
Total assets	**156,471**	**161,166**	**170,020**	**177,524**	**190,018**	**189,178**	**197,404**	**196,465**	**204,934**	**203,875**
Liabilities										
Borrowings – current portion										
Other current liabilities										
Borrowings – non-current portion	38,244	45,246	48,725	58,095	63,419	64,086	64,413	64,372	64,112	63,674
Other non-current liabilities										
Total liabilities	**38,244**	**45,246**	**48,725**	**58,095**	**63,419**	**64,086**	**64,413**	**64,372**	**64,112**	**63,674**
Net assets	**118,227**	**115,920**	**121,295**	**119,430**	**126,599**	**125,091**	**132,991**	**132,094**	**140,822**	**140,201**
Equity										
Revaluation reserves	3,943	3,943	11,367	11,367	20,274	20,274	29,387	29,387	38,853	38,853
Other reserves	114,284	111,978	109,928	108,062	106,325	104,817	103,604	102,707	101,969	101,348
Total equity	**118,227**	**115,920**	**121,295**	**119,430**	**126,599**	**125,091**	**132,991**	**132,094**	**140,822**	**140,201**

Table 69. Wastewater projected statement of financial position

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										
Cash and cash equivalents	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)	(2,423)
Other current assets										
Infrastructure assets	90,397	101,003	117,133	122,408	137,656	151,039	171,606	184,664	206,494	219,154
Other non-current assets										
Total assets	**87,974**	**98,580**	**114,710**	**119,985**	**135,233**	**148,616**	**169,183**	**182,241**	**204,071**	**216,731**
Liabilities										
Borrowings – current portion										
Other current liabilities										
Borrowings – non-current portion	18,205	31,317	46,187	54,849	67,326	83,914	99,533	114,679	128,183	140,059
Other non-current liabilities										
Total liabilities	**18,205**	**31,317**	**46,187**	**54,849**	**67,326**	**83,914**	**99,533**	**114,679**	**128,183**	**140,059**
Net assets	**69,769**	**67,263**	**68,522**	**65,136**	**67,907**	**64,702**	**69,651**	**67,562**	**75,889**	**76,672**
Equity										
Revaluation reserves	2,396	2,396	7,095	7,095	13,292	13,292	20,629	20,629	29,599	29,599
Other reserves	67,373	64,867	61,427	58,040	54,615	51,410	49,022	46,933	46,289	47,073
Total equity	**69,769**	**67,263**	**68,522**	**65,136**	**67,907**	**64,702**	**69,651**	**67,562**	**75,889**	**76,672**

Table 70. Stormwater projected statement of financial position

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										
Cash and cash equivalents	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924	2,924
Other current assets										
Infrastructure assets	92,877	92,894	96,373	95,504	99,475	98,518	102,351	101,399	105,374	104,424
Other non-current assets										
Total assets	**95,801**	**95,818**	**99,297**	**98,428**	**102,399**	**101,442**	**105,275**	**104,323**	**108,298**	**107,348**
Liabilities										
Borrowings – current portion										
Other current liabilities										
Borrowings – non-current portion	25,207	25,437	24,977	24,297	23,356	22,198	20,857	19,377	17,804	16,096
Other non-current liabilities										
Total liabilities	**25,207**	**25,437**	**24,977**	**24,297**	**23,356**	**22,198**	**20,857**	**19,377**	**17,804**	**16,096**
Net assets	**70,594**	**70,381**	**74,320**	**74,131**	**79,043**	**79,244**	**84,417**	**84,946**	**90,494**	**91,253**
Equity										
Revaluation reserves	2,455	2,455	6,777	6,777	11,612	11,612	16,397	16,397	21,323	21,323
Other reserves	68,140	67,926	67,544	67,354	67,431	67,633	68,020	68,549	69,172	69,930
Total equity	**70,594**	**70,381**	**74,320**	**74,131**	**79,043**	**79,244**	**84,417**	**84,946**	**90,494**	**91,253**

Water Services Delivery Plan: additional information

Significant capital projects

We list all capital projects below that generate cost in the ten-year period of the Plan. All values are shown in nominal dollars.

Where a project relates to more than one category (of the three categories: growth, level of service, and renewals) it has been apportioned across the categories to ensure consistency with the financial template.

Significant capital projects

Significant capital projects – drinking water

Table 7125. Significant drinking water capital 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										
Minor projects - growth portion			760							
Total investment to meet additional demand			**760**							
Projects to improve levels of services										
EQ Water Storage		204	644							
Otumahi Water Storage Pipeline Rd Water Main	3,880									
Plains water - water safety plans	17		1,145	1,175						
Total investment to meet improve levels of services	**3,897**	**204**	**1,789**	**1,175**	**0**	**0**	**0**	**0**	**0**	**0**
Projects to replace existing assets										

10.1.2 Appendix B - Whakatāne District WSDP 2025(Cont.)

EQ Water Network Renewals	2,322	2,654	2,244	2,302	2,360	2,414	2,470	2,534	2,577	2,631		
Reservoir renewals				6,961	4,383							
Minor projects - renewals portion	9,181	7,410	2,426	3,269	3,350	3,427	3,506	3,583	3,659	3,735		
Total investment to replace existing assets	**11,503**	**10,064**	**4,670**	**12,532**	**10,093**	**5,841**	**5,976**	**6,117**	**6,236**	**6,366**		
Total investment in drinking water assets	**15,400**	**10,268**	**7,219**	**13,707**	**10,093**	**5,841**	**5,976**	**6,117**	**6,236**	**6,366**		

Significant capital projects – wastewater

Table 72. Significant wastewater capital 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										
Matatā Wastewater Scheme	1,133	5,575							3,961	14,418
Total investment to meet additional demand	**1,133**	**5,575**							**3,961**	**14,418**
Projects to improve levels of services										
Murupara Wastewater Treatment Plant upgrade			7,793			945	4,982	13,745	10,655	
New Wastewater Treatment Plant incorporates Whakatāne and Edgecumbe				3,729	7,310	11,711	7,877			
New Wastewater Treatment Plant - Tāneatua		1,617								
EQ ST&D Pump Station - LOS portion	118	374	3,045							
Wastewater ponds desludging				587	602	616	630			
Total investment to meet improve levels of services	**118**	**1,991**	**10,838**	**4,316**	**7,912**	**13,272**	**13,489**	**13,745**	**10,655**	**0**
Projects to replace existing assets										
Minor projects - collectively significant	2,909	3,542	1,275	1,309	1,341	1,372	1,404	1,435	1,465	1,496
EQ Sewer Network Renewals	1,447	1,483	1,957	2,008	2,059	2,106	2,154	2,202	2,248	2,295

EQ ST&D Pump Station - renewals portion				539	1,020	448	547	600	29	536
Whakatāne Wastewater Rising Main Renewal		1,617	1,433	1,470	1,507	1,542	1,577	1,612	1,646	1,680
Total investment to replace existing assets	**4,356**	**6,642**	**4,665**	**5,326**	**5,927**	**5,468**	**5,682**	**5,849**	**5,388**	**6,007**
Total investment in wastewater assets	**5,607**	**14,208**	**15,503**	**9,642**	**13,839**	**18,740**	**19,171**	**19,594**	**20,004**	**20,425**

Significant capital projects – stormwater

Table 7263. Significant stormwater capital 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										
N/A										
Total investment to meet additional demand	**[$X,XXX]**	**[$X,XXX]**	**[$X,XXX]**	**[$X,XXX]**	**[$X,XXX]**	**[$X,XXX]**	**[$X,XXX]**	**[$X,XXX]**	**[$X,XXX]**	**[$X,XXX]**
Projects to improve levels of services										
311501 - Edge SW - Stormwater Study			125	94	96					
Total investment to meet improve levels of services			**125**	**94**	**96**					
Projects to replace existing assets										
310125 - Stormwater pump station assets	4,352	1,043								
Network renewals across district	501	1,114	1,199	1,230	1,260	1,289	1,319	1,348	1,376	1,405
Total investment to replace existing assets	**4,853**	**2,157**	**1,199**	**1,230**	**1,260**	**1,289**	**1,319**	**1,348**	**1,376**	**1,405**
Total investment in stormwater assets	**4,853**	**2,157**	**1,324**	**1,324**	**1,356**	**1,289**	**1,319**	**1,348**	**1,376**	**1,405**

Risks and assumptions

Disclosure of risks and material assumptions for water services delivery

Table 74. Key risks and assumptions

Parameters	Drinking supply	Wastewater	Stormwater
Key Risks for individual waters	• Contamination or deterioration of source water quality • Asbestos cement pipes become brittle with age and are prone to longitudinal cracking, making repair difficult • Reservoirs are ageing and not earthquake compliant • Ongoing failure to meet Drinking Water Quality Assurance Rules on a consistent basis, particularly in places like Murupara	• Unauthorised trade waste discharge • Insufficient capacity during weather events • Asbestos cement pipes become brittle with age and are prone to longitudinal cracking, making repair difficult • Uncertainty around the incoming wastewater standards	• Adverse weather can strain a stormwater network, particularly in Edgecumbe • Climate change is increasing the frequency and severity of adverse weather events

Key risks that apply across all waters	• Delay in obtaining consents, loss of consents, or non-compliance in the operation of consents • Difficulty meeting any requirements by 1 July 2026 to obtain consents • Issues within other councils - up to four councils need to collaborate to explore a joint WSO. A delay or distraction within a potential partner council could delay exploration work • Council uncertainty to adopt reprofiled budget during development of LTP 2027 -2037 • Affordability if a joint WSO cannot be formed – cost per connection projections are similar across service delivery models over a ten-year period. However, cost per connection projections become steeper for an internal business unit if that service delivery model is maintained beyond ten years • Capacity of in-house Three Waters staff to determine project specifics and tender requirements in a timely manner • Capacity of local contracting market to delivery work, particularly noting that holders of key skills may be enticed with opportunities at a joint WSO in West Bay of Plenty • Risk of impaired relations between Māori and Council, noting iwi oppose direct discharge of treated water into any waterway • Large renewals backlog is difficult to respond to • Demanding capital schedule against historic delivery levels • Vulnerability to natural hazards, e.g. Whakatāne township water treatment plant is located on a Faultline and beside a river that floods		
Significant assumptions for individual waters	• Population growth occurs at projected rates • Per capita water demand is broadly consistent with historic levels • Consent renewals allow access to adequate quantity of water supply • Water losses in the network can be identified and remediated quickly	• Population growth occurs at projected rates • Per capita production of wastewater is broadly consistent with historic levels • The capital programme will be able to meet the Wastewater Standards once they are finalised, however the capital works programme may need to be updated	• Peak demand on the stormwater network will continue to increase due to climate change • WDC application for a comprehensive Whakatāne urban catchment stormwater consent will be successful

<table>
<tr><td>Key assumptions that apply across waters</td><td colspan="2">• The capital programme approved through the next LTP is adequate to maintain and/or obtain necessary regulatory compliance including resource consents
• The capital programme can be delivered to schedule (despite the risks that come with capital delivery)
• External funding and development contributions are obtained as projected
• Any new regulatory requirements (beyond those we know to expect) are manageable
• Potential partner councils will explore forming a joint WSO in good faith</td></tr>
<tr><td>Key assumptions that apply to the financial projections</td><td colspan="2"><table>
<tr><th>Assumption</th><th>Agreed approach</th></tr>
<tr><td>Long Term Plan</td><td>• The LTP informed the metrics for FY25</td></tr>
<tr><td>Interest rate on debt</td><td>• The latest LGFA-advised 10-year rate was used with an applicable borrower margin (as a Guarantor Council)</td></tr>
<tr><td>Capital expenditure</td><td>• Used the programme developed by Tonkin + Taylor</td></tr>
<tr><td>Debt and revenue</td><td>• The combination of debt and revenue to meet costs was initially modelled using a 500% water debt-to-revenue ratio, and then manually adjusted to smooth the revenue path and ensure whole-of-council debt track remains within internal limits.</td></tr>
<tr><td>Extra operating expenditure</td><td>• Used the quantum of regulator levies as signalled by regulators
• Added $100k p/a for audit costs in years where the Water Services Annual Report requires auditing
• Added $150k p/a (representing 1 FTE) allowance for additional resource to support financial reporting, planning and compliance requirements (from FY26)
• Added $100k allowance for additional resource to support the exploration of a joint water services organisation (FY26 – FY28)</td></tr>
<tr><td>Operating expenditure profile</td><td>• Used the operating expenditure profile in the Long-Term Plan plus a consequential opex allowance for new growth and LOS capex</td></tr>
<tr><td>Median household income changes</td><td>• 2023 Census data inflated at a rate of “CPI+1%”</td></tr>
<tr><td>Inflation</td><td>• As per the Long Term Plan</td></tr>
</table></td></tr>
</table>

10.2 Adoption of the Dangerous, Affected and Insanitary Buildings Policy

To: **Whakatāne District Council**

Date: **Thursday, 14 August 2025**

Author: **H Madden / Strategic Policy Analyst**

Authoriser: **L Woolsey / General Manager Strategy and Growth**

1. Reason for the report - *Te Take mō tēnei rīpoata*

The purpose of this report is to adopt the draft Dangerous, Affected and Insanitary Buildings Policy, noting there were no submissions received from the public consultation which took place from 30 June to 30 July 2025.

2. Recommendations - *Tohutohu akiaki*

1. THAT Council **receive** the Adoption of the Dangerous, Affected and Insanitary Buildings Policy Report; and
2. THAT Council **adopt** the draft version of the Dangerous, Affected and Insanitary Buildings Policy (Appendix 1); and
3. THAT Council **note** that no submissions were received on the draft Dangerous, Affected and Insanitary Buildings Policy.

3. Background - *He tirohanga whakamuri*

Under section 131 of the Building Act 2004 (the Act), all territorial authorities must adopt a Dangerous, Affected and Insanitary Buildings Policy.

The purpose of the policy is to ensure that buildings can be used safely and without risk to health, and that when dangerous, affected, or insanitary buildings are identified, the associated risks are reduced or eliminated within an acceptable timeframe.

The Dangerous, Affected and Insanitary Buildings policy has been identified for review as part of the review of the policy work programme. The existing policy was updated in 2019 and is now out of date. The review had been waiting on the completion of the Ministry of Business, Innovation and Employment (MBIE) performance monitoring assessment of the current policy, to ensure that the findings could be incorporated into a revised policy.

These findings, along with updated guidance from MBIE and staff feedback, were incorporated to develop a draft Dangerous, Affected and Insanitary Buildings Policy.

On 29 May 2025 the Infrastructure and Planning Committee approved the draft Dangerous, Affected and Insanitary Buildings Policy for public consultation using the special consultative procedure.

4. Discussion – *Kōrerorero*

4.1. Overview of community consultation

A Communications and Engagement Plan was developed to outline how community consultation would be carried out, which included a Kōrero Mai survey from 30 June – 30 July 2025, in both hard copy and online format.

In accordance with section 132(1) of the Building Act 2004 the special consultative procedure (section 83 Local Government Act 2002) was carried out from 30 June 2025 to 30 July 2025. Communities were made aware of the opportunity to consult via:

- Council websites and social media pages
- Newspaper
- Noticeboards
- Submission stands

We received no written or verbal submissions during the consultation period.

5. Options Analysis - *Ngā Kōwhiringa*

5.1. Option 1: Adopt the Draft Dangerous, Affected and Insanitary Buildings Policy – preferred option.

This option is recommended as it aligns with MBIE's recommendations and meets our legislative requirements.

Advantages	Disadvantages
• Aligns with recommendations received from MBIE • Aligns with current legislative requirements • Enhances transparency and consistency for staff and our communities • Strengthens risk management approach to ensure our communities live in safe and healthy buildings	• No disadvantages identified

5.2. Option 2: Retain the current Dangerous, Affected and Insanitary Buildings Policy with no amendments.

This option includes not adopting the Policy and is not recommended.

Advantages	Disadvantages
• Current policy remains in place	• Staff may face uncertainty when responding to complaints or conducting inspections, increasing the risk of inconsistent decisions

Advantages	Disadvantages
	• May delay action on unsafe or unsanitary buildings, increasing health and safety risks—especially for vulnerable residents • Does not align with MBIE's recommendations and may result in Council receiving a corrective action • Policy is less transparent and consistent and does not align with legislation • Policy would become overdue for review

6. Significance and Engagement Assessment - *Aromatawai Pāhekoheko*

6.1. Assessment of Significance

The decisions and matters of this report are assessed to be of low significance, in accordance with the Council's Significance and Engagement Policy.

6.2. Engagement and Community Views

Taking into consideration the above assessment, that the decision is of low significance, and that consultation has occurred, we are of the opinion that no further engagement is required prior to Council making a decision on whether to adopt the draft amended Dangerous, Affected and Insanitary Policy.

6.3. Strategic Alignment

No inconsistencies with any of the Council's policies or plans have been identified in relation to this report. The draft Dangerous, Affected and Insanitary Buildings Policy meets the Council's requirement to have a policy under the Act. The approach set out in the policy helps Whakatāne be an inclusive district by protecting the health and safety of our community and reducing the potential risk posed by dangerous, affected or insanitary buildings.

6.4. Legal

Strengthening our policy will ensure we are meeting our legislative requirements. Under section 131 of the Building Act 2004 (the Act), all territorial authorities must adopt a Dangerous, Affected and Insanitary Buildings Policy.

6.5. Financial/Budget Considerations

There is no budget considerations associated with the recommendations of this report.

6.6. Climate Change Assessment

There are no climate change implications arising from this policy review.

6.7. Risks

There are no significant or notable risks associated with the matters of this report.

7. Next Steps – *E whai ake nei*

Once adopted the policy will be uploaded on Council's website.

Attached to this Report:

- Appendix 1 – Whakatāne District Council Draft Dangerous, Affected and Insanitary Buildings Policy.

10.2.1 Appendix 1 – Whakatāne District Council Draft Dangerous, Affected and Insanitary Buildings Policy

10.2.1 Appendix 1 – Whakatāne District Council Draft Dangerous, Affected and Insanitary Buildings Policy(Cont.)

POLICIES

Dangerous, Affected and Insanitary Buildings Policy

Commencement:	August 2025
Amendments:	
Next review date:	*2030*
Review frequency:	*5 year intervals*
Relevant Legislation:	*Section 131 of the Building Act 2004 and the Local Government Act 2002.*

WHAKATĀNE District Council
Kia Whakatāne au i ahau

WHAKATĀNE District Council Kia Whakatāne au i ahau

Draft Dangerous, Affected and Insanitary Buildings Policy 2025

Introduction – *Kupu Arataki*

Section 131 of the Building Act 2004 (the Act) requires territorial authorities (Council's) to adopt a policy on dangerous buildings and insanitary buildings. The Building Amendment Act 2013 added section 132A which required the Council's policy to consider affected buildings.

Section 132(4) of the Act requires our policy to be reviewed at intervals of not more than five years. This policy replaces the "Dangerous, Affected and Insanitary Buildings Policy 2019".

1.0 Objectives – *Ngā whainga*

(1) To ensure that people who use buildings can do so safely and without endangering their health.

(2) To ensure that when dangerous, affected or insanitary buildings are found, the risk is appropriately reduced or removed within an acceptable timeframe.

3.0 Definitions – *Ngā Tikanga o ngā kupu*

Affected building is defined as any building that is adjacent to, adjoining, or nearby-

a) a dangerous building as defined in section 121 of the Act; or
b) a dangerous dam within the meaning of section 153 of the Act.

Dangerous building is defined under Section 121 of the Act as:

"(1) A building is dangerous for the purposes of the Act if, -

(a) in the ordinary course of events (excluding the occurrence of an earthquake), the building is likely to cause –
(i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
(ii) damage to other property; or

(b) in the event of a fire, injury or death to any persons in the building or to persons on other property is likely because of fire hazard or the occupancy of the building."

"(2) For the purpose of determining whether a building is dangerous in terms of subsection (1)(b), a territorial authority –

(a) may seek advice from members of the Fire and Emergency New Zealand (FENZ) who have been notified to the territorial authority by the Fire and Emergency National Commander as being competent to give advice; and

(b) if the advice is sought, must have due regard to the advice."

Heritage building is defined as any building identified as a Significant Cultural Heritage building in the District Plan or registered by Heritage New Zealand Pouhere Taonga in its Register of Historic Places.

Insanitary building is defined under Section 123 of the Act as:

"A building is insanitary for the purpose of this Act if the building –

(a) is offensive or likely to be injurious to health because –

(i) of how it is situated or constructed; or

(ii) it is in a state of disrepair; or

(b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or

(c) does not have a supply of potable water that is adequate for its intended use; or

(d) does not have sanitary facilities that are adequate for its intended use."

4.0 Policy – *Te Kaupapa here*

(1) This policy defines:
   a. The approach that Council will take in performing its functions under the Act in relation to dangerous, affected and insanitary buildings
   b. Council's priorities in performing these functions; and
   c. How the policy will apply to heritage buildings

(2) Heritage buildings will be assessed in the same way as other potentially dangerous, affected or insanitary buildings. Discussions will be held with owners and if appropriate, Heritage New Zealand Pouhere Taonga to identify a mutually acceptable way forward. As per s125 (2) (f) of the Act a copy of any notice issued under s124 of the Act will be sent to Heritage New Zealand Pouhere Taonga where a heritage building has been identified as dangerous, affected or insanitary building.

(3) Council will apply a risk-based and proportional approach when determining enforcement actions for dangerous, affected, and insanitary buildings. Each case will be assessed based on the level of risk to occupants, the broader community impact, and the obligations under the Building Act 2004. Where possible, Council will work collaboratively with building owners to achieve compliance before escalating enforcement actions.

4.1 Council's priorities under the Building Act

(1) Priority will be given to buildings requiring work to be carried out urgently[1] to address the dangerous, affected and/or insanitary conditions.

(2) Where the Council needs to prioritise work on buildings, the following issues will be taken into account:

a. Potential risk to human life and adjoining property

b. The importance of the building to the community e.g. hospital, school, building of cultural significance or heritage value

c. The frequency and level of use, and number of people using the building

d. The location of the building in relation to key infrastructure components

e. The size of the building

f. The age of the building and its expected life.

5.0 Dangerous or affected buildings

5.1 Identifying dangerous or affected buildings

The Whakatāne District Council will approach the management of dangerous and insanitary buildings primarily through responding to complaints and information from parties such as building occupants, neighbours, emergency services, and other agencies.

The Council does not consider it necessary to take a more proactive approach to identifying dangerous and affected buildings in the district.

[1] The Building Act (2004) Clause 41(1)(c) defines this as for the purpose of saving or protecting life or health or preventing serious damage to property.

This does not preclude this policy being enforced as a result of information from qualified staff discovered during the normal course of their duties.

Once a building has been brought to Council's attention, it will aim to assess the reported dangerous or affected building within 48 hours, where practicable. If access is delayed due to site conditions or other factors, the Council will prioritise its inspections based on public safety risk, in accordance with section 121(1) of the Act. This assessment will:

1. Include an inspection of the condition of the building in accordance with section 121(1) of the Act
2. Identify if the building is considered dangerous or affected
3. Consider if any of the powers provided in the Act should be invoked.

5.2 Taking action on dangerous or affected buildings

(1) Once a building has been found to be dangerous or affected, Council will:

a. Inform the owner and occupier of the building.

b. Provide instruction or actions that need to be taken to reduce or remove the danger as required by sections 124 and 125 of the Act.

c. May liaise with FENZ and request a written report on the building from FENZ as outlined in section 121(2) of the Act.

(2) In implementing section 5.2(1), the Council will:

a. Attach written notice to the building requiring work to be carried out on the building, within a time stated in the notice being not less than 10 days, to reduce or remove the danger.

b. Give copies of the notice to the building owner, occupier, and every person who has an interest in the land or is claiming an interest in the land. This will also include Heritage New Zealand Pouhere Taonga if the building is a heritage building.

c. Contact the owner at the expiry of the time period set down in the notice in order to gain access to the building to ascertain whether the notice has been complied with.

d. Where the danger is the result of non-consented building work, the owner will formally be requested to provide an explanation as to how the work occurred, who carried it out, and under whose instructions; and

e. Pursue enforcement action under the Act if the requirements of the notice are not met within a reasonable period of time, typically 10 days for dangerous buildings and 30 days for affected buildings, as well as any other non-compliance matters.

(3) If the building is considered to be immediately dangerous or affected, the Council will:

a. Cause any action to be taken to remove that danger. This may include prohibiting people using or occupying the building or demolition of all or part of the building; and

b. Take action to recover costs from the owner(s) if the Council undertakes work to remove the danger.

c. The owner(s) will also be informed that the amount recoverable by the Whakatane District Council will become a charge on the land upon which the building is situated.

(4) Where a building is assessed as requiring work to be carried out urgently[2] to address the dangerous and/or affected conditions, the Council may not require that a building consent be obtained for any of the immediately necessary building work. However, prior to any remedial action being taken, Council will require from the owners a written scope of the work. The owner must, as soon as practicable after completion of the building work, apply for a Certificate of Acceptance.

(5) Council will consider issuing a notice under Section 124 of the Building Act 2002 where a building or buildings are found to be dangerous or affected.

(6) Building owners may appeal the Council's decision by lodging an application for a determination with the Chief Executive Officer of the Ministry of Business, Innovation and Employment in accordance with Section 177(3)(f) of the Building Act 2004.

5.3 Recording of dangerous or affected buildings

(1) Where a building is found to be dangerous or affected, a notice will be placed on the building file for the property where the building is situated. This notice will remain on the file, along with any other information showing the danger has been remedied. In addition, this same information will be placed on any LIM produced for the property.

(2) In granting access to information concerning dangerous or affected buildings, the Council will conform to the requirements of the Local Government Official Information and Meeting Act 1987 and the Local Government Act 2002.

[2] The Act, section 41(1)(c)(i) defines this as for the purpose of saving or protecting life or health or preventing serious damage to property.

(3) Where remedial work on a dangerous or affected building constitutes an alteration under Section 112, a change of use under Section 115, or is part of a subdivision affecting a building under Section 116A, the Council will ensure compliance with relevant provisions of the Building Act 2004. Additional consents or assessments may be required to align with these statutory requirements

6.0 Insanitary buildings

6.1 Identifying insanitary buildings

The Whakatāne District Council will approach the management of insanitary buildings primarily through responding to complaints and information from parties such as building occupants, neighbours, emergency services, and other agencies.

The Council does not consider it necessary to take a more proactive approach to identifying insanitary buildings in the district.

This does not preclude this policy being enforced as a result of information from qualified staff discovered during the normal course of their duties.

Once a building has been brought to Council's attention, Council will aim to assess the condition of the building within 48 hours, where practicable, in accordance with section 121(1) of the Act. This assessment will:

1. Include and inspection of the condition of the building in accordance with section 123 of the Act.
2. Identify if the building is considered to be insanitary.
3. Consider if any powers provided under the Act should be invoked.

6.2 Taking action on insanitary buildings

(1) Once a building has been found to be insanitary, Council will:
   a. Inform the owner and occupier of the building to take action to prevent the building from remaining insanitary;
   b. Liaise with the Medical Officer of Health when required to assess whether the occupants may be neglected infirm

(2) In implementing section 6.2(1), the Council will:

a. Attach a written notice to the building requiring work to be carried out on the building, with a time stated on the notice that is not less than 10 working days, to prevent the building from remaining insanitary;

b. Give copies of the notice to the building owner(s), occupier, and every person who has an interest in the land or is claiming an interest in the land. This will also include Heritage New Zealand Pouhere Taonga, if the building is a heritage building.

c. Contact the owner(s) at the expiry of the time period set down in the notice in order to gain access to the building to ascertain whether the notice has been complied with; and

d. Determine if enforcement action should be pursued under the Act if the requirements of the notice are not met within a reasonable period of time.

(3) If it is considered that immediate action is required to fix insanitary conditions the Council will:

a. Cause any action to be taken to fix those insanitary conditions;

b. Take action to recover costs from the owner(s) if the Council must undertake works to remove the insanitary conditions; and

c. The owner(s) will also be informed that the amount recoverable by the Council will become a charge on the land on which the building is situated.

d. Where a building is assessed as requiring work to be carried out urgently[3] to address insanitary conditions, the Council may not require that a building consent be obtained for any of the immediately necessary building work. However, prior to any remedial action being taken, Council will require from owners, and discuss with them, a written scope of the work. The owner must, as soon as practicable after completion of the building work, apply for a Certificate of Acceptance.

(4) Building owners may appeal the Council's decision by lodging an application for a determination with the Chief Executive Officer of Ministry of Business Innovation and Employment (MBIE) in accordance with Section 177 (3)(f) of the Building Act 2004.

6.3 Recording of insanitary buildings

(1) Any buildings identified as being insanitary will have a requisition placed on the property file for the property on which the building is situated. A record of the requisition will remain for five years after the insanitary condition has been abated.

[3] The Act, section 41(1)(c)(i) defines this as for the purpose of saving or protecting life or health or preventing serious damage to property.

(2) In granting access to information concerning insanitary buildings, the Council will conform to the requirements of the Local Government Official Information and Meeting Act 1987 and the Local Government Act 2002.
(3) All identified insanitary buildings will have a requisition placed on the property file and remain for five years after the issue is resolved. This information will be disclosed in Land Information Memoranda (LIM) reports and, where applicable, in Project Information Memoranda (PIM) when it affects proposed building work
(4) All identified insanitary buildings will be recorded in Council's Dangerous, Affected and Insanitary buildings register

7.0 Interaction with other Council policies

(1). Council acknowledges that enforcement actions, including issuing Section 124 notices and requiring evacuations, may have short-term social and economic impacts, particularly where residential displacement occurs. In cases where emergency housing is needed, Council will liaise with social service agencies to minimize hardship while ensuring public safety
(2). The economic impact of enforcing remedial actions for dangerous, affected, and insanitary buildings will be considered, particularly in cases involving small businesses or heritage buildings. Where feasible, Council will work with building owners to develop phased compliance plans that align with financial feasibility while ensuring statutory obligations are met

8.0 Review – *Te Arotake*

In accordance with sections 132(1), (2) and (4) of the Building Act 2004 this policy will be reviewed at intervals of not more than five years and any amendment or replacement of the policy must be in accordance with section 83 of the Local Government Act 2002.

11 Resolution to Exclude the Public - *Whakataunga kia awere te marea*

11.1 Resolution to Exclude the Public - 14 August 2025

RECOMMENDATION

THAT the Whakatāne District Council **agree** to exclude the public from the following part(s) of the proceedings of this meeting, namely:

1. Whakatāne Airport Scheduled Flight Service Registration of Interest (ROI)

This resolution is made in accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act (or sections 6, 7 or 9 of the Official Information Act 1982, as the case may be).

Item number and General subject of each matter to be considered	**Reason for passing this resolution in relation to each matter**	**Ground(s) under section 48 for excluding the public**	**Plain English reason for passing this resolution**
Item 1: Whakatāne Airport Scheduled Flight Service Registration of Interest (ROI)	Section 7(2)(b)(ii)) To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	s48(1)(a) The public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7	The respondent has additional related commercial sensitive negotiations underway in relation to operational arrangements and information has been provided in confidence. Any assumptions and/or times frames could hinder these negotiations.