Auckland Council
Te Kaunihera o Tāmaki Makaurau

Stormwater Services Delivery Plan for Auckland Region

21 August 2025

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

Statement that stormwater services delivery is financially sustainable

Statement that stormwater services delivery is financially sustainable

Financially sustainable stormwater services provision

The Plan confirms that stormwater services will be delivered in a financially sustainable manner, in accordance with the Financially Sustainable delivery assessment criteria.

The financial forecasts show that net debt to operating revenue ratio for stormwater stays below the 500% threshold in every year from FY24/25 to FY33/34. This declines from 487% to 441%, showing a strengthening financial position and increasing headroom over time. Borrowing headroom ranges from $30 million to $207 million, confirming that the council is operating well within its debt capacity for the stormwater activity. This is also supported by strong operating cashflows, and growing free funds from operations (FFO), ensuring a financially sustainable position is achieved throughout.

The Plan ensures that stormwater services are fully funded from operating revenues, which grow steadily over the period. These revenue streams include general and targeted rates, fees and charges, and operational subsidies. Cost increases, such as depreciation, finance costs, and overheads, are forecast and matched with corresponding revenue growth to ensure ongoing operational viability.

Capital investment in stormwater services infrastructure is substantial and front-loaded, totalling over $1.8 billion across the Plan period. This includes upgrades to meet compliance, asset renewals, and capacity expansion. Investment is guided by asset management plans and long-term infrastructure strategies, with an emphasis on resilience, growth management, and service-level improvement.

The Plan outlines a responsible and diversified funding approach:

- Capital funding sources include development contributions, capital grants, and new debt.
- Cash reserves increase over the 10-year period, reinforcing internal funding capacity. Net debt reduces across the same period.
- Debt servicing strength improves, with FFO-to-debt rising over time, indicating growing financial headroom.

The Plan demonstrates that stormwater services will be delivered in a financially sustainable manner across the 10-year period. Short-term borrowing pressures are addressed through prudent transitional planning, and the long-term investment programme is supported by robust and credible revenue and financing strategies. The council is well-positioned to fund and sustain stormwater services now and into the future.

Proposed delivery model

Proposed model to deliver financially sustainable stormwater services

The proposed model to deliver water services

STORMWATER SERVICES DELIVERY TO REMAIN WITHIN AUCKLAND COUNCIL

This delivery plan proposes the retention of stormwater delivery services for the Auckland region within the Auckland Council organisation. This decision was made, along with the direction for Watercare, Auckland's drinking water and wastewater services provider, by resolution of the Auckland Council Governing Body on 2 May 2024. There are no proposed changes to the delivery model, and there are no changes in the scope of services, including any other councils in consideration to receive stormwater services from Auckland Council.

This decision to retain stormwater delivery services within council was made based on the following considerations:

- As a unitary authority, Auckland Council is responsible for the delivery of both regional and district functions. This has particular significance for stormwater management, where council has transitioned from standalone district stormwater services that focused solely on urban areas, to a more integrated catchment approach, covering both rural and urban areas.
- This approach has significant benefits, which include:
    - More effective planning outcomes through the tight integration of land use planning, freshwater management and stormwater management
    - More integrated land and water response to big challenges such as degraded natural environments and the effects of climate change
    - Better coordination of the management of natural resources that enable stormwater management such as overland flow paths, stream conveyance and green spaces with enhanced outcomes for both the natural environment and stormwater services.

RESPONSIBILITY FOR THE DELIVERY OF STORMWATER SERVICES WITHIN AUCKLAND COUNCIL

Auckland region's stormwater services, which have been fully integrated since 2018, are delivered through the council's Healthy Waters and Flood Resilience (HWFR) Department. This Plan therefore reflects the HWFR work programmes and associated budgets and financial history.

Delivery of these stormwater services is enabled by other council teams, as well as through the efforts of external partners, stakeholders and community groups.

To clarify these roles and responsibilities, the following section sets out:

- Scope of HWFR stormwater management functions
- Internal council support services and relationships
- External partners, stakeholders and community groups

Scope of Healthy Waters and Flood Resilience stormwater management functions

HWFR department undertakes the following functions to support Auckland's growth, increase its resilience to climate events, and improve its water quality – please refer organisation chart in Figure 1:

- ***Operations:*** operates and maintains Auckland Council's built, natural, and green stormwater assets to sustain network performance and respond to requests for stormwater services, such as incidents caused by heavy rainfall. Operations responsibilities include investigating and resolving stormwater issues, which are frequently of unknown origin and have multiple potential causes.
- ***Design & Delivery*****:** provides specialist support on construction methods and constructability, contracts and contract management, and costing and quantity surveying, which currently present some of the biggest risks to successful project delivery in the department.
- ***Strategic Initiatives:*** analyses, plans and delivers initiatives resulting from strategy or policy change and represents stormwater management in strategy and policy making. Specific focus areas:
    - Growth and Development
    - Network Compliance
    - Resource Management
    - Customer Management
    - Wai Ora Strategic Programmes

- ***Network Planning:*** asset data management, guiding planned investments in the network to improve levels of services and meet future needs, and flood map preparation for all catchments across the region to guide development. The HWFR interface for integrated network planning with Watercare, Auckland Transport and other parts of council.
- ***Sustainable Partnerships:*** ensuring the creation of resilient infrastructure with reduced waste and carbon emissions and driving innovative solutions for a more sustainable Auckland.
- ***Programming & Prioritisation:*** manage HWFR work programmes and investments, supporting business case development, and generating high-quality analysis and reports for informed decision-making.
- ***Intelligence:*** informing and enabling better planning, decision-making and communication focused on minimising flood risk through access to actionable intelligence on present, near and long-term future conditions of rainfall, stormwater runoff and network performance, flooding, as well as fresh and coastal water quality.
- ***Māori Outcomes and Employment****:* specialist support to HWFR to deliver projects in partnership with mana whenua and mataawaka across Tāmaki Makaurau. Ensures HWFR activities are aligned to council's strategic Māori outcome priorities. Also work in collaboration with central government, council-controlled organisations, council suppliers, industry employers, training providers and communities across Tāmaki Makaurau to deliver sustainable employment outcomes for Aucklanders**.**

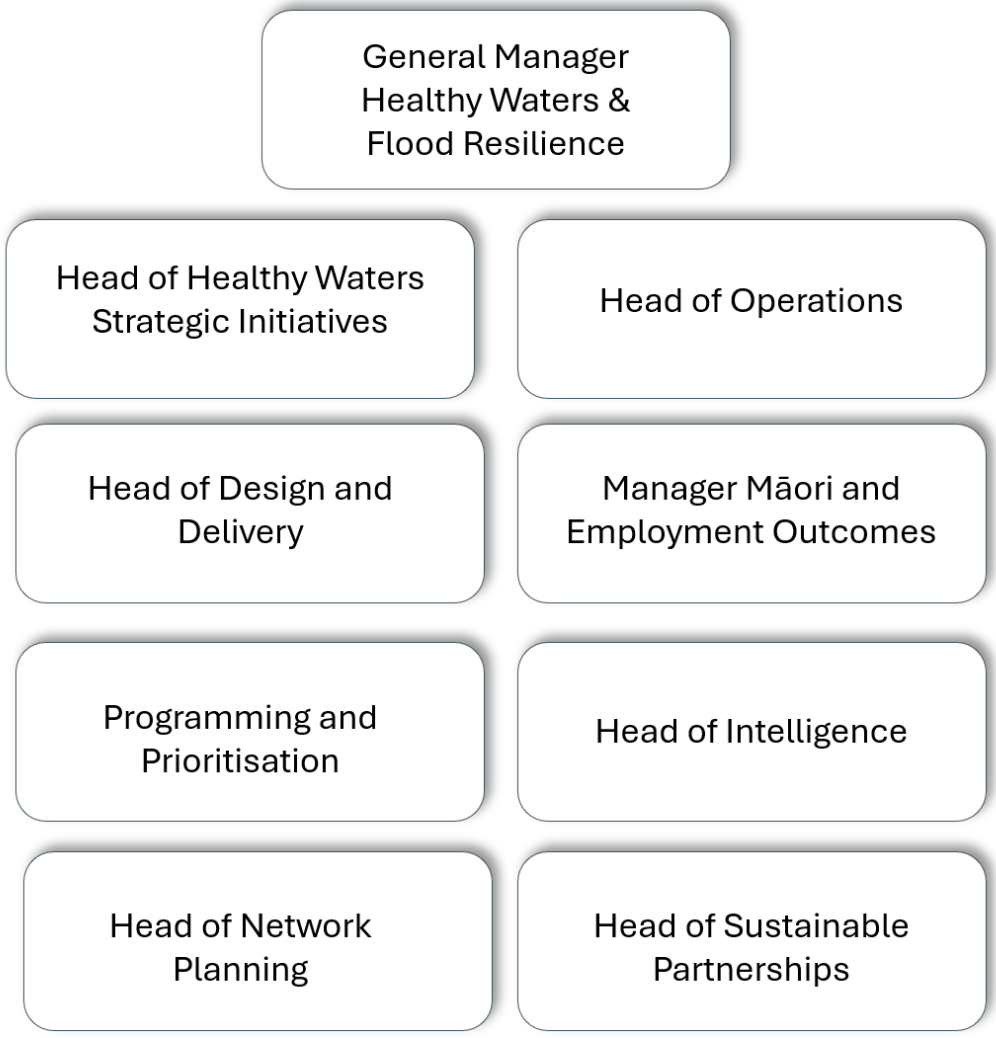


Figure 1. Organisation Chart for Healthy Waters and Flood Resilience as at July 2025

<u>Internal council support services and relationships</u>

HWFR is supported by:

- Group Shared Services, including Corporate Support Services, Technology Services, Procurement, and People Services
- Legal Services, Group Finance, Health, Safety and Wellbeing, Communications and Marketing
- Risk and Assurance
- Sustainability Office

Key relationships include the following council teams:

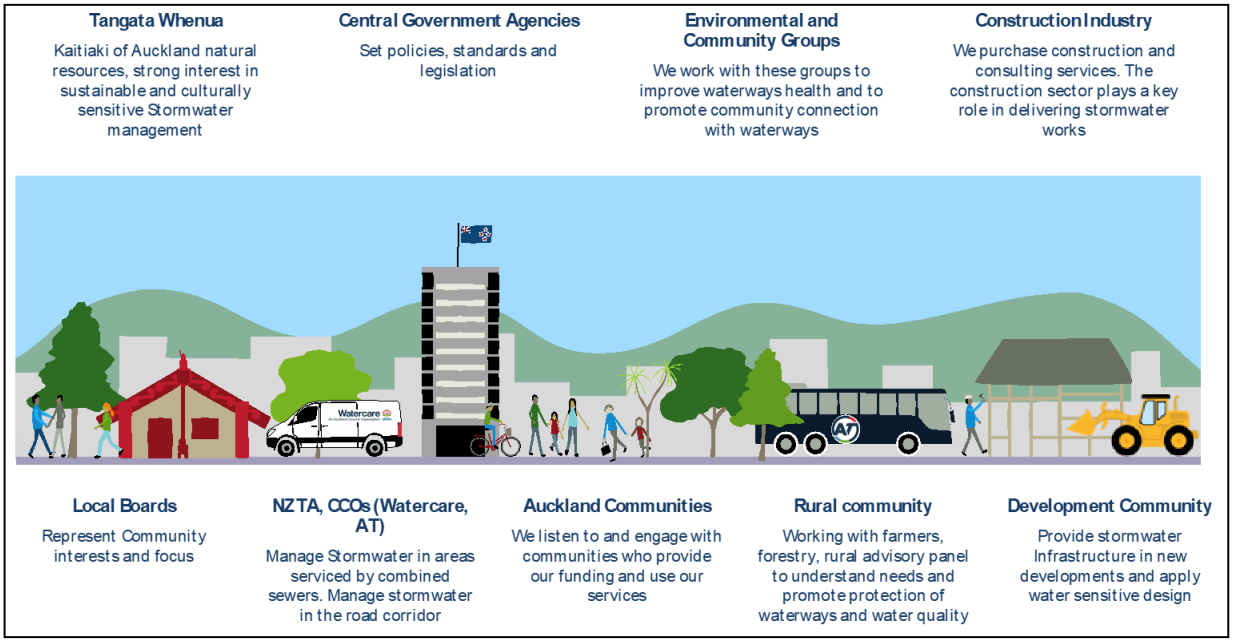
- Policy, Planning and Governance to input into and implement the direction set through the Auckland Plan and council's Long-Term Plan, as well as the Infrastructure Strategy and Future Development Strategy.
- Regional Planning and Resource Consent Management to provide input into private land use plan change and consent applications, with Service Level Agreements in place with development engineers and planners for approvals of vested assets.
- Compliance and monitoring functions to align and support delivery of stormwater improvement projects and programmes.
- Auckland Emergency Management to prepare for and respond to extreme events involving stormwater.
- Auckland Urban Development Office (formerly Eke Pānuku) to scope and implement stormwater services for revitalisation projects led by council.
- Parks and Community Facilities to plan, construct and maintain stormwater assets in council parks. An internal 'service level agreement' is in place for this purpose.
- Auckland Transport, to plan, construct and maintain stormwater assets in the roading corridors. HWFR has Service Level Agreements with this council-controlled organisation to provide these services.
- Watercare Services Ltd to coordinate joint programmes, such as current water quality improvement projects to separate wastewater and stormwater networks.
- Local Boards to plan and support the delivery of Local Board water related projects and programmes.

Working with external partners, stakeholders and community

Given the open nature of the stormwater network, HWFR also works closely with third parties to achieve stormwater outcomes. As depicted in Figure 2 below, these activities include:

- Regularly engaging with and working closely with the iwi and mataawaka across Tāmaki Makaurau. This includes collaboration and support of iwi-led opportunities for improving Māori outcomes, including kaitiakitanga (Māori environmental guardianship), kāinga papakāinga (Māori housing), umanga (Māori economy and employment), and marae.
- Customer communications and feedback. This is a critical component of HWFR operations and includes incident response as well as developer and community inquiries.
- Working with infrastructure providers such as NZTA and KiwiRail, as well as drainage districts to align and support delivery of stormwater outcomes.
- Supporting Auckland's urban and rural community groups, who have a vested interest in many initiatives that have good stormwater outcomes. HWFR works to support local environmental and community groups with funding and expertise, as well as to raise wider community awareness on storm related risks and opportunities for environmental improvement.
- Working with central government agencies in relation to the delivery of large infrastructure projects, as well as in testing and rolling out central government direction, such as through grants and other initiatives. This includes employment programmes and iwi partnership projects.

Figure 2: HWFR External Partners and Stakeholders for Delivery of Stormwater Outcomes



Includes Water Services to Rural Communities, and other Regional Council Functions

As the stormwater management department for a unitary council, HWFR also undertakes works to support Auckland's rural communities as well as carries out additional functions that might typically be associated with a regional council. These functions include:

- Clearing blockages within stream and coastal outlets, as well as providing technical and other support for drainage district schemes.
- Management of stormwater network in rural settlement areas, as set out under the Service Level Agreement with Auckland Transport.
- Catchment risk planning and other technical advice to support farmers and rural landowners improve drainage conveyance, water quality, and stream health.
- Design and delivery of infrastructure-based solutions for flood prevention and control, to reduce the risks of large floods such as a 1% Annual Exceedance Probability (AEP) event. This is the central purpose of Blue-Green Networks and other stream protection, and rehabilitation works set out under the Making Space for Water programme.
- Provision of public information on flooding and health risks:
    - Modelling and risk assessment of 1% AEP flood events, together with the development and implementation of associated educational facilities, awareness raising activities and warning systems
    - Development and implementation of public health risk and safety warnings at swimming locations through the Safeswim programme
    - Water quality modelling that covers whole of catchments to raise awareness and inform catchment mitigation, capturing both rural and urban discharges.

In relation to the management of rural road drainage, Auckland Transport is responsible for its maintenance, cleaning, and emergency flooding response, as set out the existing Service Level Agreement with HWFR. Under this agreement, HWFR supports AT through the management of catchment flooding issues relating to watercourses, including clearing of blockages within land drains not associated with roading. The need to improve the management of rural road drainage has been identified and will need to be considered as part of the development of the future Water Service Strategy, and in the context of the imminent reform of the respective roles of Auckland Council and AT.

REVENUE SOURCES, CHARGING AND RINGFENCING

Revenue for stormwater services is obtained from the following sources:

- Rates, including specific targeted rates such as those for water quality and to support implementation of the drainage districts in Rodney area of Auckland region.
- Development contributions, including agreements with developers and infrastructure providers for HWFR to deliver infrastructure on their behalf.
- Fees and charges, e.g., associated with consent reviews and approvals of stormwater assets to be vested.
- Grants and subsidies, e.g., from central government initiatives associated with the Making Space for Water programme, as well as water quality and employment
- Reimbursements for contracted delivery of services outlined in agreements with council's Parks & Community Facilities directorate, and with Auckland Transport
- Fines, infringement fees and other receipts

Revenue Charging and Collection

There are no proposed changes to the way in which stormwater charges are set or collected, with the exception of development contributions, where the recent **Development Contributions Policy 2025**, adopted by council in May 2025, has added charging mechanisms to address the impacts of urban development on stormwater infrastructure requirements.

Ringfencing of Stormwater Revenues

This Stormwater Services Delivery Plan addresses the requirement to ringfence funding for stormwater delivery services. While no physical segregation of funds is undertaken, the council ensures effective ringfencing through robust internal controls, dedicated revenue and expenditure tracking, and transparent reporting. These mechanisms ensure that funds allocated for stormwater activities are used solely for this purpose, aligning with the intent of ringfencing.

Implementation plan

Implementing the Proposed Delivery Model

Implementing the proposed service delivery model

The delivery model for stormwater services is already implemented.

The stormwater delivery services proposed in this plan are those existing stormwater services set out in Auckland Council's 2024 – 2034 Long-Term Plan (2024 LTP), and the subsequent revisions included in the Annual Plan for Fiscal Year 2025 (AP 26). The current delivery model meets all regulatory requirements and does so in a financially sustainable manner.

We note the following anticipated changes which council expects to be implemented in the near future:

- **Additions to the Making Space for Water programme.** Auckland Council established the Making Space for Water programme as a result of the extreme weather events in 2023. The programme aims to increase flood resilience through a combination of blue-green network projects and other initiatives such as improved flood intelligence and relies on significant crown funding made available for the storm recovery effort including the buyout of properties deemed unsafe under the categorisation process following the 2023 storm events. However, as a result of higher property buyouts, and the downstream funding effects of that increase on the overall funding available, council is now investigating opportunities to address a funding gap, including the potential redevelopment of impacted areas where safe to do. Given these proposals are not yet completed, they are not reflected in the financial statements provided in this plan.
- As noted above, the **2025 Development Contributions Policy** will increase revenue from development contributions for stormwater infrastructure within the Tāmaki catchment. As part of this approved policy, a new brownfield stormwater methodology added a level of service for flood hazards on main roads to be low risk in a 10% AEP storm event. This policy also commits council to upgrading significant lengths of the piped stormwater network in the Tāmaki catchment from 2034-2054. The council resolution also asked that this revised methodology be applied to the growth priority areas of Māngere and Mt Roskill in the 2025/26 financial year. As this revision has not yet approved by council, the impact of these changes is not reflected in the financial statements in this plan. Auckland Council expects to set new growth charges for these upgrades in the 2025/26 financial year.
- It should also be noted that while council currently intends to implement the 2025 Development Contributions policy, Central Government has signalled further change to this charging mechanism through the introduction of **Development Levies** as part of 'Going for Housing Growth'. Timing for implementation of this change is tentatively set for 2027, with potential impact on future revenue forecasts.
- **Private plan changes and fast track applications** that may been authorised over the next twelve months (subsequent to the 2024 LTP) will also need to be included in future growth charges.

Consultation and engagement

Consultation and engagement undertaken

Introduction

As discussed above, this delivery plan is based on existing arrangements, with levels of investment as outlined in the Auckland Council LTP 2024, and the Annual Plan for 2025/26 (AP26).

Under Section 17 of the Local Government Water Services (Preliminary Arrangements) Act 2024, Auckland Council is not required to consult on this delivery model for stormwater services as no changes are proposed from current arrangements.

There are also no joint agreements pending with other councils or water organisations for stormwater services, therefore, sections 61 to 64 of the Local Government (Water Services Preliminary Arrangements) Act 2024 are not applicable.

Auckland Council Long-Term Plan 2024-2034 Consultation Feedback

The levels of investment outlined in this plan were consulted on in the LTP 2024 and Annual Plan FY 26 processes. The following section summarises the feedback received as part of the 2024 LTP consultation process, which complies with the requirements set out in the Local Government 2002 and so also complies with section 60 of Local Government (Water Services Preliminary Arrangements) Act 2024.

The below summary of feedback below is taken from Auckland Council's publication: *Long-Term Plan 2024-2034 – Summary of feedback received during Auckland Council's public consultation from 28 February to 28 March 2024,* noting that this document aimed to capture key themes rather than detailing every point of feedback received. It also captured the views of all council services, with the information below focusing on water services only.

As outlined, the majority of the feedback supported the proposed programmes or requested more to be done.

Engagement approach

A total of 125 public events were held across the region during the month-long consultation period. These were a mix of event styles including drop-ins at existing or bespoke events, community group meetings and hearing style events. Across the events, delegated staff and community engagement partner representatives interacted with over 11,000 Aucklanders.

Online engagement was via AKHaveYourSay, and hard copy engagement materials were available through libraries, service centres and via community engagement partners. Aucklanders were also given the opportunity to provide feedback by phone for those who prefer this over digital or community events, but no one chose this option.

Events organised included two online information sessions early in the consultation period, to allow people to gather information and better understand the topics before making a submission. These were well subscribed, with over 150 people attending across the two sessions. These sessions are also recorded and uploaded for people to view and ask further questions.

There were also other online/hybrid events including hui with mana whenua, a Pasifika fono and regional organisation feedback sessions. There were also opportunities for Aucklanders to provide feedback via email or following a link to the online feedback form from emails or text messages that were sent to ratepayers, previous submitters and a range of other relevant databases.

Community engagement partners continue to be an integral part of our engagement strategy to reach diverse Aucklanders because of their strong established and trusted relationships with their communities. These partners represent a range of community groups across Auckland, including Pacific, ethnic, youth and disabilities sectors.

The engagement approach also included two series of participatory forums. One was with a demographically representative ground of Aucklanders, the other with representatives from the Demographic Advisory Panels and community leaders.

Ahead of the consultation period, pre-consultation engagements were facilitated at Waitangi Day events at Manukau and Hoani Waititi Marae to raise awareness of the long-term plan and facilitate Māori engagement on the document. Before and during the consultation period, a series of online workshops were held with mana whenua and mataawaka groups to support their engagement and submission. A specific 'Have your say' event was held at Auckland Council Town Hall for mana whenua and mataawaka to present in person or online on 21 March 2024. There were 12 presentations from mana whenua and mataawaka at the event.

It is noted that this consultation received the most individual submitters of Māori, Pasifika and Asian ethnicity of any Auckland Council consultation by number**.**

Feedback on whether to do more or less of proposed water services (including Making Space for Water)

Submitters were asked to give feedback on whether they supported the central proposal, doing less or doing more in respect of seven areas of council funded services and activities, including water. Results specifically for water services are as follows:

- Of the 16,495 individual responses, 11 per cent supported 'do less', **47 per cent indicated 'as proposed and 42 percent supported 'do more'**
- Of the 226 organisation responses, four per cent supported 'do less', **42 per cent indicated 'as proposed and 54 percent supported 'do more'**
- All mana whenua entities that answered questions about the seven investment themes agreed that council should proceed with the proposal to do more in each area. The areas which received the strongest support were 'Environment and regulation: Protecting and restoring our natural environment' **followed by 'Water: Managing stormwater to minimise flooding and protect waterways.'**
- Mataawaka entities on the other hand wanted to see more done in the areas of te reo Māori, youth development, sports and well-being programmes, driver licensing, rangatahi representation, promoting bi-culturalism, multi-culturalism and more meaningful engagement with council.

Feedback on proposed continuation of the Water Quality Targeted Rate

The following proposal was set out for consultation: *Resume the Water Quality Targeted Rate (WQTR) and extend it to 2034/2035 at a level to only cover the annual programme operating and interest costs. This ensures that we can continue to fund the water quality improvements in harbours and streams across the region, at a lower amount for the next year than previously planned. This reduces this rate from what was previously planned by around $6.53 and $17.10 for the average value business property.*

The responses were summarised as follows:

- Of the 14,507 individual responses, **70 per cent supported the proposal** and 20 per cent 'do not support.' Two per cent provided an 'other' response, and a further eight per cent indicated 'I don't know'.
- Of the 117 organisation responses, **66 per cent supported the proposal** and 14 per cent 'do not support.' Eight per cent provided an 'other' response, and a further 12 per cent indicated 'I don't know'.
- Of the 10 Māori entity responses, **seven supported the proposal**, one indicated 'do not support' and two 'other'.
- Of the 42 pro forma responses, one supported the proposal, and 41 provided an 'other' response.

Feedback on proposed changes to Rodney Drainage District Targeted Rate

The following proposal was set out for consultation: *Change the Rodney Drainage District Targeted Rate to reflect public feedback and updated analysis of the benefits to properties and boundaries.*

The responses were summarised as follows:

- Of the 14,104 individual responses, 43 per cent supported the proposal and 16 per cent 'do not support.' Two per cent provided an 'other' response, and a further 39 per cent indicated 'I don't know'.
- Of the 165 organisation responses, 44 per cent supported the proposal and 8 per cent 'do not support.' Four per cent provided an 'other' response, and a further 45 per cent indicated 'I don't know'.
- Of the nine Māori entity responses, three supported the proposal and two indicated 'do not support'. One provided an 'other' response and one indicated 'I don't know'.
- There was no pro forma that specifically addressed this proposal as part of their templated content.

Assurance and adoption of the Plan

Assurance and adoption of the Plan

Certification of the Chief Executive of Auckland Council

This Stormwater Services Delivery Plan is based on reasonable assumptions and contingencies, including as noted throughout the Plan, and on our existing asset management practices and systems of record. We have applied our usual methodologies and assurance standards to the financial projections and modelling incorporated in the Plan.

On that basis, I certify that this Stormwater Services Delivery Plan for Auckland:

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

Signed: 

Phil Wilson
Chief Executive
Auckland Council

Date: 21/8/25

Part B: Network performance

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

Investment required in stormwater services

Serviced population

Table 1 Auckland Region Stormwater Serviced Population

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Serviced population*	1,615,124	1,634,281	1,653,437	1,673,377	1,693,316	1,713,255	1,733,194	1,753,133	1,777,581	1,802,028
Total residential connections	509,590 **	509,284	516,075	523,054	530,033	537,012	543,991	550,970	560,254	569,538
Total non-residential connections	47,210 **	47,182	47,811	48,457	49,104	49,750	50,397	51,044	51,904	52,764

Note: This represents connection to the piped network. The population who receive stormwater services is greater than the population who receive Piped Network services. The balance of the population is serviced by natural waterways (such as streams and overland flow paths).

* Serviced population is less than the Stats NZ population total for Auckland Region, as it excludes the estimated population in rural locations.

** FY2024/25 residential and non-residential connection numbers are actual connections data from the Rates Database. The remaining numbers represent the Auckland Growth model scenario AGS23v1 20240229. The prior modelled numbers for 2024/25 were higher, and this has resulted in what appears to be a decrease in connections. This is not necessarily true.

Auckland is projected to reach a population of more than 2.4 million by 2047. Currently, it is anticipated that approximately 400,000 new dwellings will be needed. The Auckland Unitary Plan identifies approximately 15,000 hectares of rural land for future urbanisation with the potential to accommodate approximately 137,000 dwellings. The locations and timing of future growth are outlined in the draft Auckland Future Land Supply Strategy.

In the decade to 2034 Auckland is expected to grow by about 80,000 dwelling, with 60,000 located in urban areas.

At present stormwater services are provided to 550,000 residential and non-residential dwellings in the urban area and rural settlements. 53000 dwellings in rural areas are not serviced.

Inevitably, population growth results in changes to the level of the impervious surfaces in the region, which is a key driver of the demand for stormwater services. The changes to imperviousness depend on the growth patterns. For example, vertical growth and intensification in well-established urban areas have less impact on stormwater infrastructure than the development of new suburbs (horizontal growth).

Assumptions for populating the table above:

- Each property within the urban zone receives stormwater services, irrespectively of whether it is physically connected to the stormwater system.
- Residential and non-residential connections are based on rates and land use at 30/04/2025 – urban properties only. Urban population totals are derived from the proportion of serviced properties.
- Auckland Council does not provide stormwater services in rural areas, except where this is specifically agreed or considered beneficial for the optimal management of stormwater across the region. In rural areas, stormwater services to the roading infrastructure are provided by Auckland Transport.

The increases indicated are consistent with the population and household trend data in Auckland Council's Growth model scenario AGS23v1 20240229.

Serviced areas

At present Auckland Council provides stormwater services over 76,000 ha of urbanised land. The primary stormwater system covers the built stormwater network, which is designed to convey stormwater runoff from rain events with up to 10 % AEP in greenfield areas. Historic development areas (pre-2012) often had lower capacity standards. The primary system also includes stormwater treatment of runoff before it is discharged to the waterways or the coast in greenfield areas. Historic development areas have varying levels of stormwater treatment depending on the standards at the time of their development. The primary network is organised in 232 catchments, discharging into eleven receiving environments.

Some parts of the city, mostly built on reclaimed land (such as Ōrakei and Mission Bay), do not have natural overland drainage. In these locations the primary stormwater system is designed to manage rain with probability larger than 10% AEP.

About 2000 ha or 2% of the urban area in the western and eastern isthmus is serviced by combined sewers (designed to convey both stormwater and wastewater). This combined sewer network is managed by Watercare Services Ltd. The proportion of stormwater-only networks in these areas is increasing because of sewer separation initiatives driven by the need to comply with current environmental standards, and to relieve the wastewater system of the overflow effects of stormwater runoff, wherever possible.

Another 3,900 ha or 5% of the urban area in the inner isthmus is discharging directly into the underground aquifers. This area has limited stormwater public network.

The stormwater runoff from large rain events – (more than 10% annual exceedance probability)– relies on surface landforms (overland flow paths) to reach the waterways and the coast. The management of the overland flow paths are the responsibility of the landowners. There are 80,000 km of overland flow paths and 14,000 km of waterways in the Auckland region (in both urban and rural land). Proposed changes in the Local Government Water Services Bill appear likely to increase the obligations on water service providers to work collaboratively with private landowners to manage the risks of overland flow paths on their land.

The waterways in the urban area have an explicit stormwater conveyance function. Auckland council is responsible for managing streams on public land and the five gazetted streams in central Auckland. There are about 420 km of waterways on public land and 450 km on private land.

Auckland Council does not provide stormwater services to rural land but takes into consideration the rural areas that are signalled for future urban development or have effect on downstream urban areas. HWFR operational teams also support the maintenance of public rural stormwater assets, as well as providing technical advice to rural landowners where required (i.e., for drainage districts). These areas are included in long term planning and investment decisions.

Residential Rural and Coastal Settlement Zones often rely on the transport stormwater infrastructure such as roadside table drains to manage stormwater. In these rural settlements there is often an ad hoc mixture of public, private and transport stormwaters systems. Waiheke island has one of the most significant “rural settlement” systems. Service Level Agreements with Auckland Transport are the key mechanism for assigning the responsibilities for stormwater services in these zones.

Table 2: Serviced Areas for Stormwater

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater #schemes	Stormwater # catchments
Residential areas (If more than one, identify separately)	N/A	N/A	Figures 3 and 4 below respectively depict the urban zoning as well as the urban, mixed and rural catchments across Auckland, which comprise 103 urban stormwater catchment, 93 rural catchments and 37 mixed catchments. Catchments cover both residential and non-residential properties. Splitting stormwater service into residential and non-residential areas is not feasible. In addition, stormwater flows downhill, regardless of different land zoning.
Non-residential areas (If more than one, identify separately)	N/A	N/A	See above
Mixed-Use rural drinking water schemes (where these schemes are not part of the council's water services network)	N/A	N/A	N/A
Areas that do not receive water services (If more than one, identify separately)	N/A	N/A	Rural areas – excluding townships that do not receive stormwater services as defined in the Act. Implement the targeted rates for provision of Drainage District services in the Rodney area.
Proposed growth areas • Planned (as identified in district plan) • Infrastructure enabled (as identified and funded in LTP)	N/A	N/A	Change in imperviousness resulting from growth patterns is a more appropriate measure for impact of growth on stormwater services. Change in imperviousness within the AUP development zones is illustrated in Figure 5.

Figure 3: Urban Zones vs Rural Zones

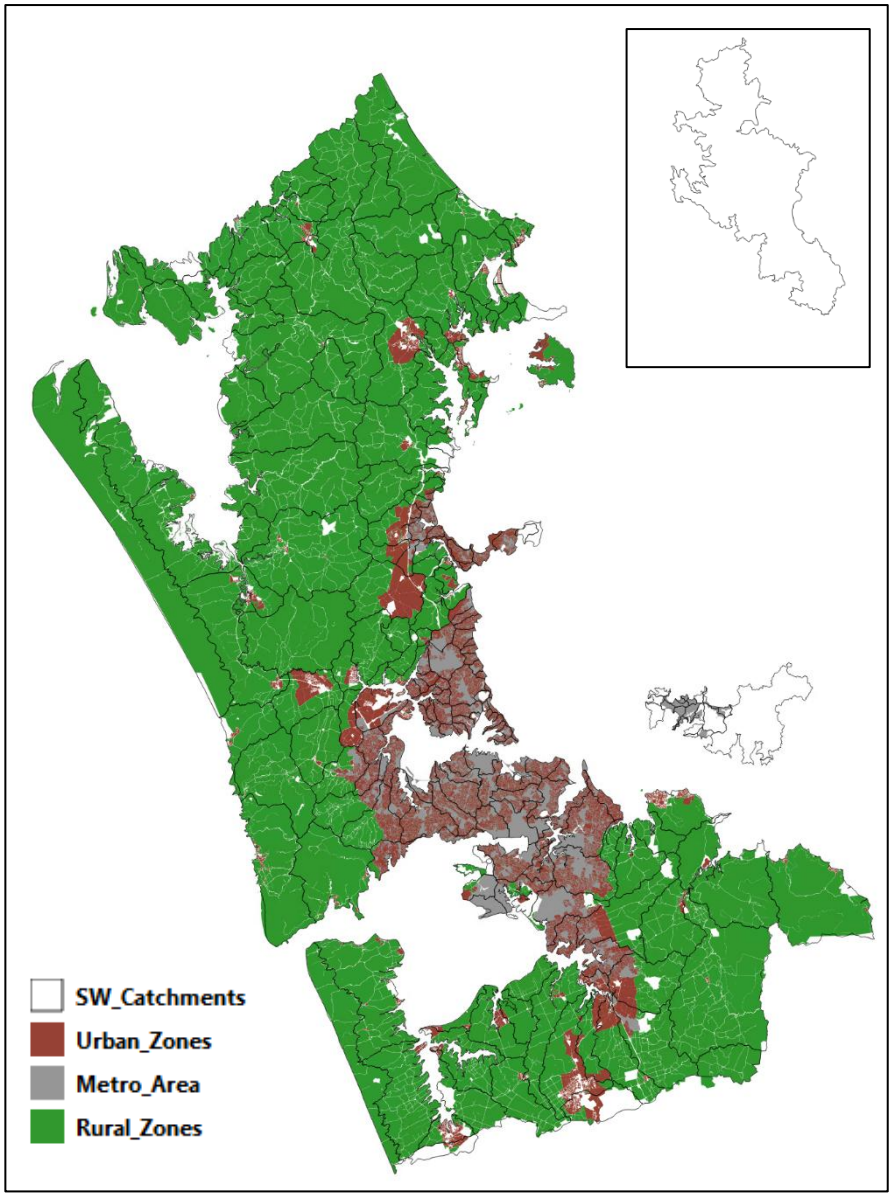
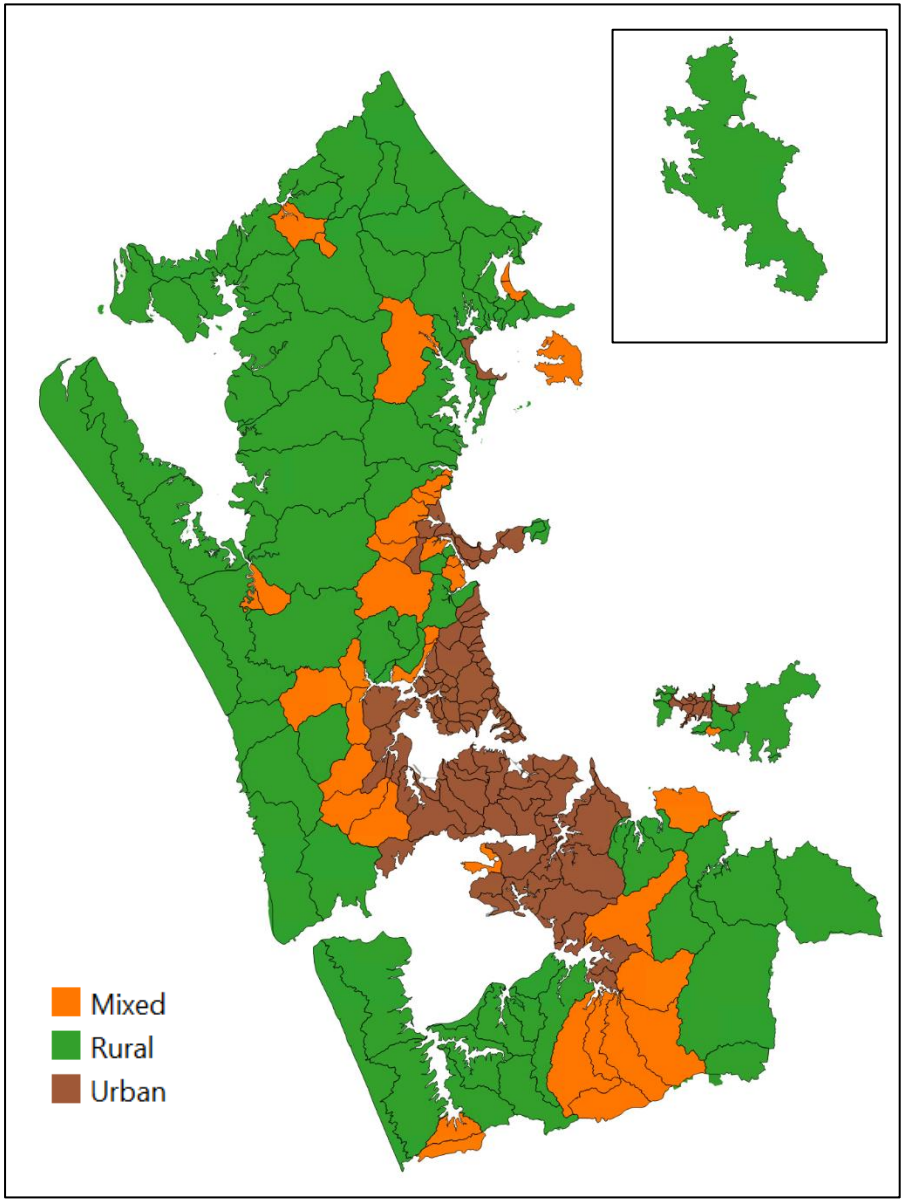


Figure 4: Catchment Types (Urban, Rural, Mixed)



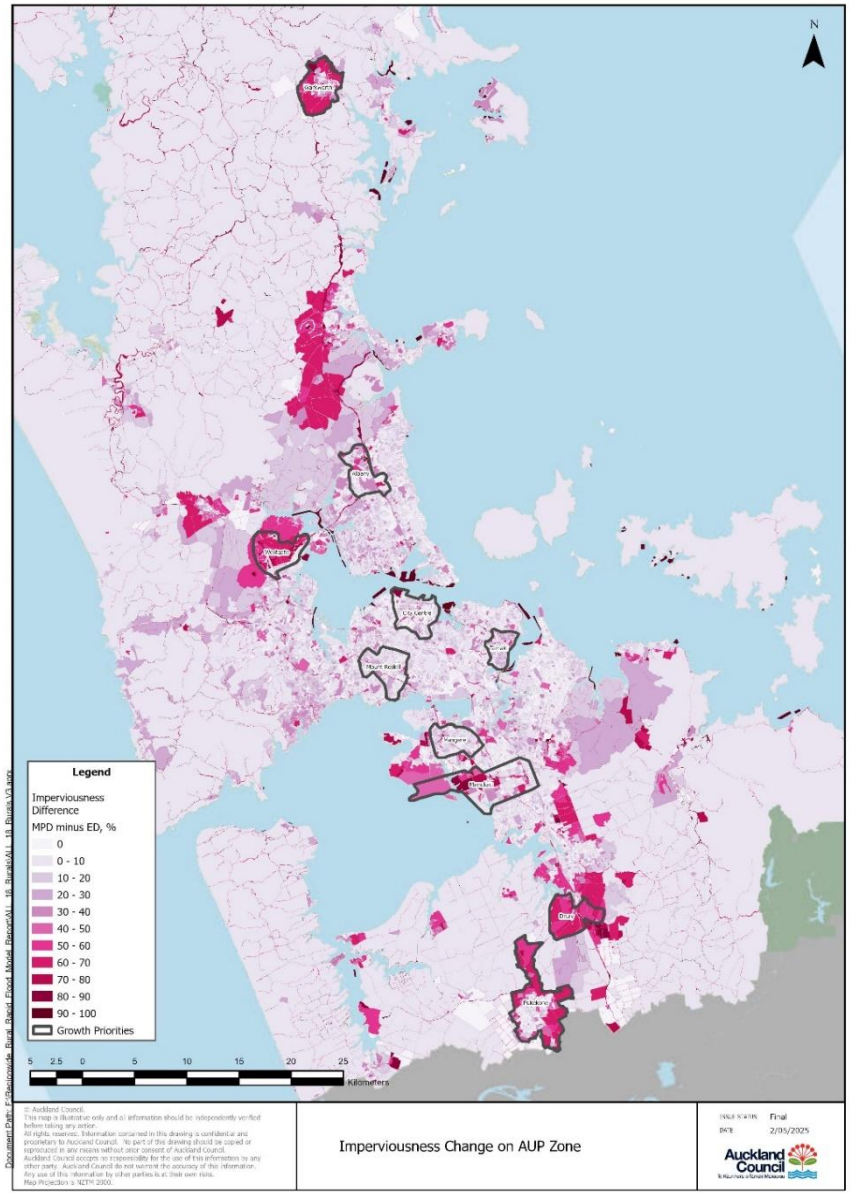


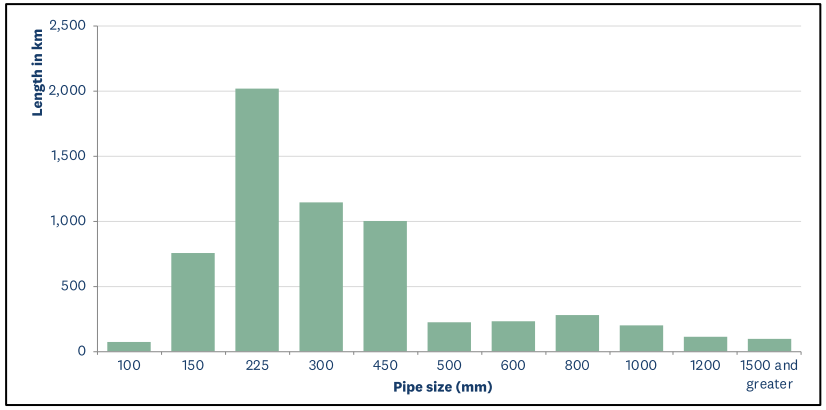
Figure 5: Imperviousness Change in AUP Zone

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

The primary stormwater network in the Auckland region is comprised of approximately 7000 kms of pipe network, 180,000 manholes and almost 700 stormwater ponds. Details of these components are given in this section.

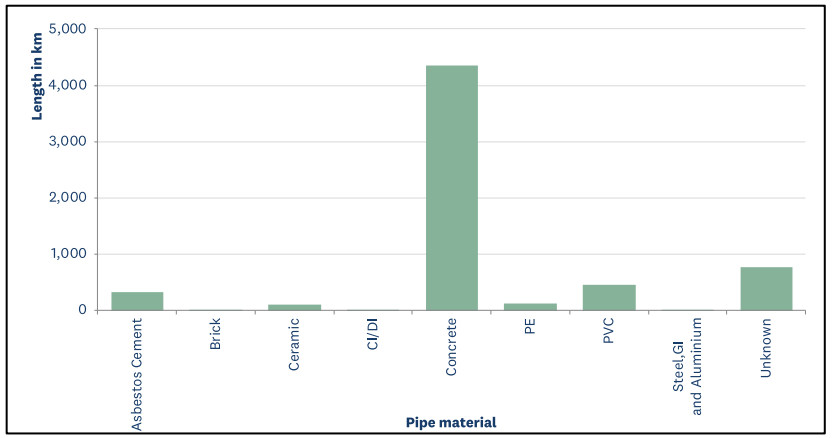
Pipes (including culverts)

The pipe network is 6,914 km in length and has 179,809 service connections. 65% of all pipes are 300mm in diameter or smaller (see **Error! Reference source not found.**6). The total replacement cost for these smaller diameter pipes is $1.69 Billion, which represents only 27% of the total replacement cost of the pipe network. A significant proportion (71%) of the total length of pipes are made of concrete, and another 13% are of unknown material (see Figure 7).



65% of all pipes are 300mm or smaller

Figure 6. Pipe assets by size



71% of all pipes are made of concrete

Figure 7**.** Pipes by Material

Figure 8. Density of Reticulation

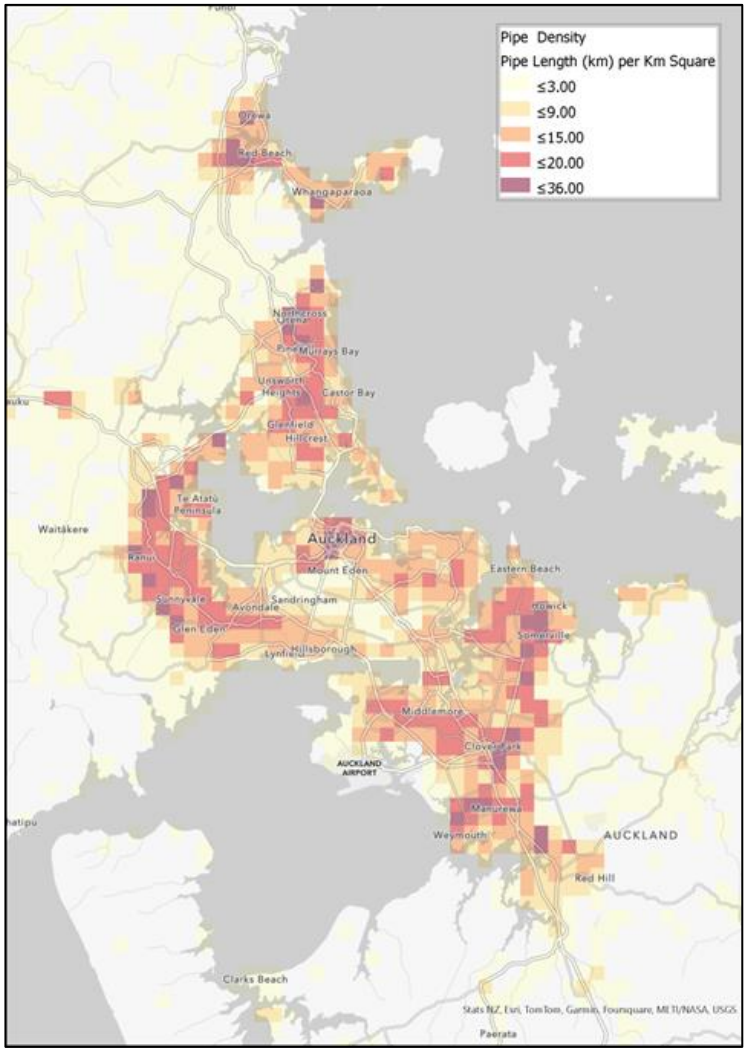
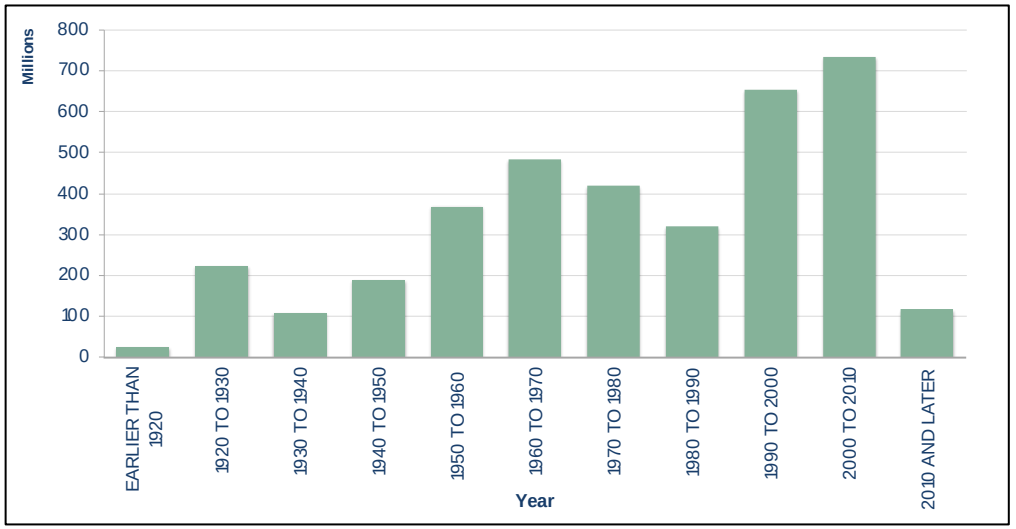


Figure 9: Replacement cost of pipe assets by age band



The older portion of the network built before 1960 accounts for 25% of the total replacement cost of the network. (Figure 9).

Manholes

The network contains 179,252 manholes. The majority of manholes are 1050mm in diameter and less than 4m deep (see Figure 10). Manholes installed in the last 33 years account for 63% of the total replacement cost of all manholes (Figure 10)

Figure 10: Manhole assets by size and depth

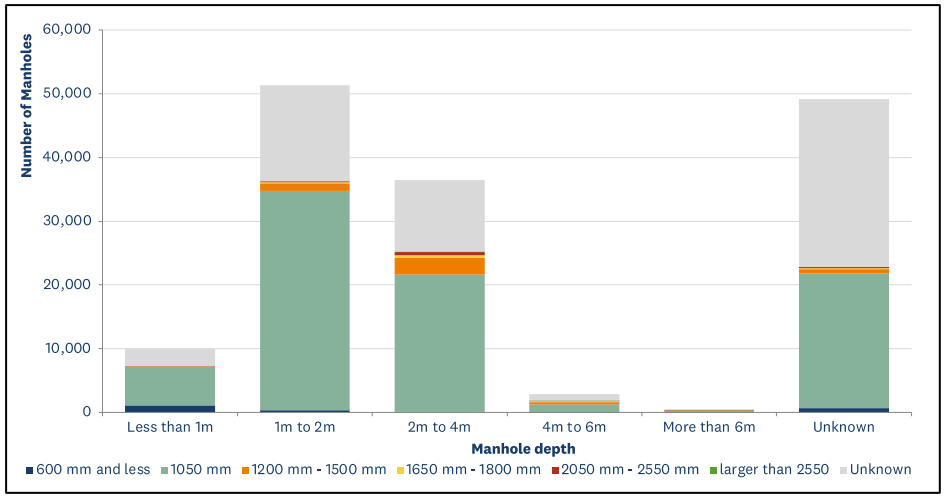
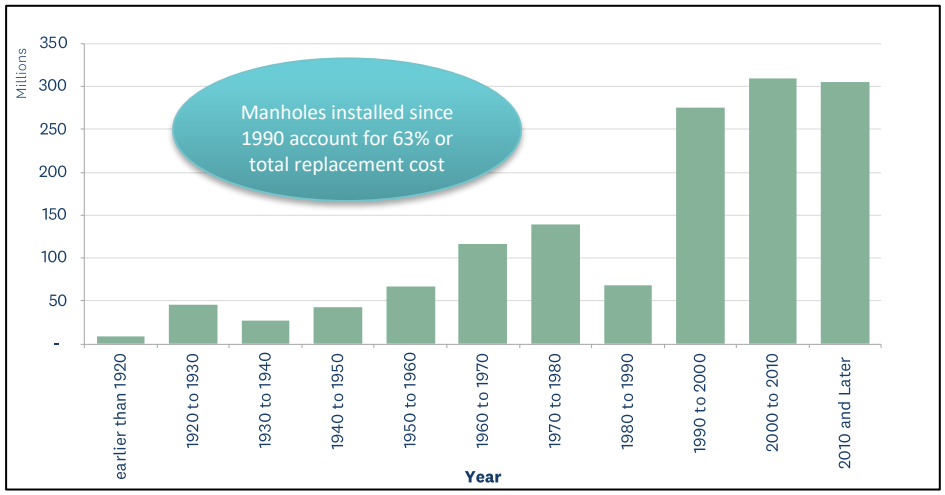


Figure 11: Replacement cost of manholes by age band



Ponds

There are 630 ponds within the network – refer Figures 12 and 13 for distribution by type and area. The majority of ponds are wet detention ponds making up 59% of the total surface area.

Figure 12: Ponds by number of features

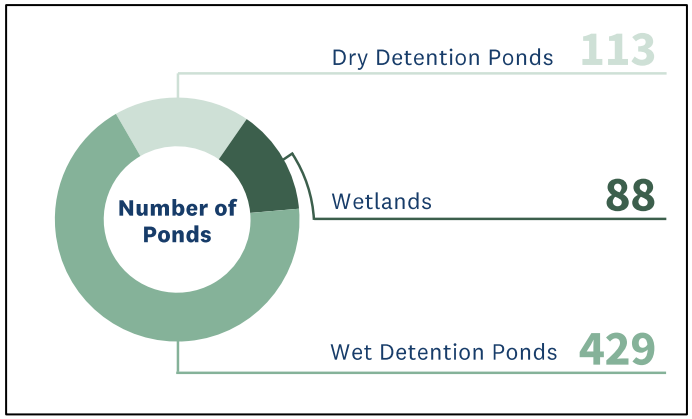
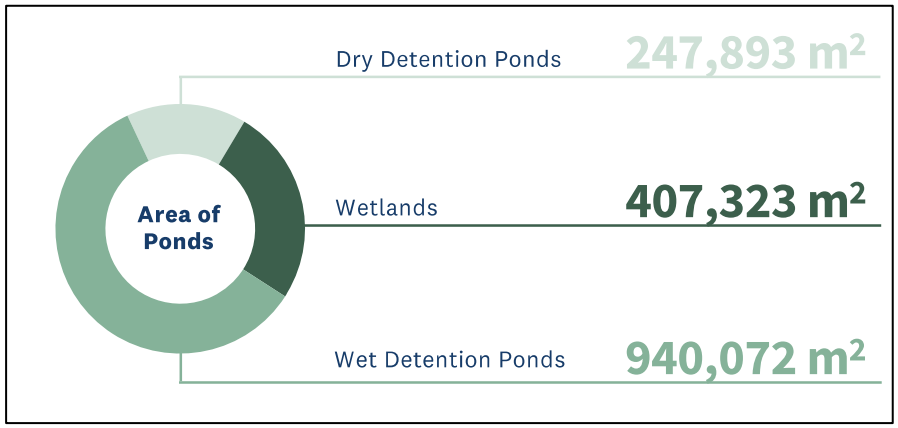


Figure 13: Ponds by surface area



Detention ponds (dry ponds)

Detention ponds – also called dry ponds- are depressions that provide additional storage during large storm events. Many dry ponds are natural depressions; however, some have purposefully built dams.

The dry ponds are an example of dual use assets. In dry weather they are used as parks, reserves and sport fields. Greenslade reserves is included below as an example

There are 113 dry ponds, Supporting the dry ponds are six large dams, with three of the large dams assessed to have high potential impact classifications (PIC).

Greenslade reserve functioning as a ponding area during the 27 January 2023 storm event.

Greenslade reserve where the ponding has quickly dissipated post storm 28 January 2023

Water treatment facilities (water quality ponds) and Wetlands

The purpose of the water quality ponds is to provide treatment to the stormwater runoff and improve the quality of the discharge.

There are 429 water quality ponds. Most of them were installed after 1991. Supporting the wet ponds are 23 large dams, with 4 of them assessed to have high PIC, 3 as medium PIC and the rest as low PIC.

The water quality ponds provide treatment to parts of the region that were developed in the last 30 to 40 years. As mentioned earlier in this document, older parts of the city have limited water quality treatment.

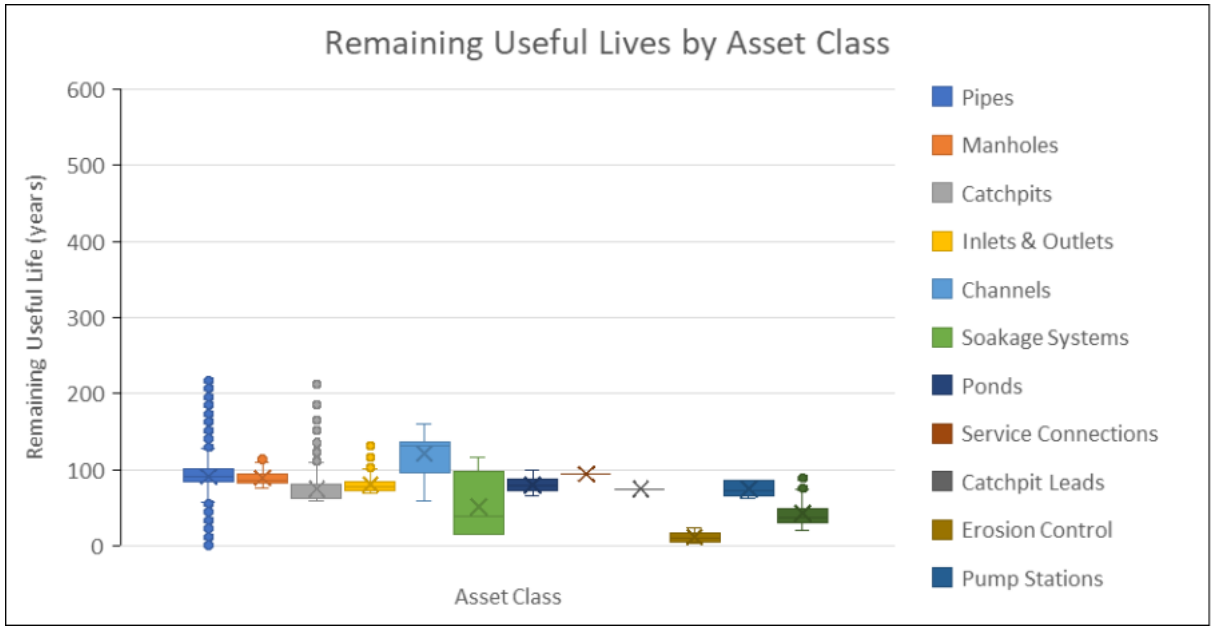
Constructed wetlands are a more natural alternative to wet ponds. They provide water quality treatment through biofiltration. Auckland region has 88 constructed wetlands covering over 407000 sq. m of land. They are supported by 9 dams, of which 3 with high PIC, 4 with medium PIC and the rest with low PIC.

Asset condition

The built stormwater network is relatively young; the average age of pipes is less than 40 years (at 1 July 2025). With the exceptions of some minor asset classes, most of the assets forming the stormwater network have well over 100-year useful lives as show in Figure 14 below. The average expected life of pipes at 30 June 2024 was 127 years, while the average estimated remaining life was 91 years. This data is published in the 2024 Stormwater asset revaluation. Pipes account for almost 70 percent of the total asset value, while asset classes with short effective and remaining lives account for less than one percent of the total asset value.

HWFR monitors proactively the condition of key conveyance and treatment asset classes, i.e. piped networks and stormwater ponds.

Figure 14. Remaining Useful Lives by Asset Class for Auckland Stormwater Assets



Pipe Condition

Proactive CCTV surveys of critical pipes have been carried out since 2015. To date, over 60% of all critical pipes have been proactively inspected at least once. The proportion of inspected pipes of age 50 years and older is almost 70%. It was found that most of the old pipes perform better than their expected life of 100 years.

The noncritical pipes are subject to reactive condition inspections (when they exhibit performance issues). These inspections are of lower reliability, and less suitable for asset condition analyses.

The overall state of the pipe network is derived through condition modelling, by utilising the actual condition data from proactive condition surveys (and some reactive data where appropriate).

15% to 23% of all inspected pipes are classified to be in poor and very poor. This is a very conservative estimate, resulting from the implementation of the Pipe Inspection Manual V4, and focus on inspection of predominantly old pipes. According to the latest condition model, which takes into consideration the effect of actual conditions on predominantly older pipes, about 11% of both critical and non-critical assets are expected to be in poor and very poor condition.

The overall pipe condition by criticality is illustrated in Figure 15 below:

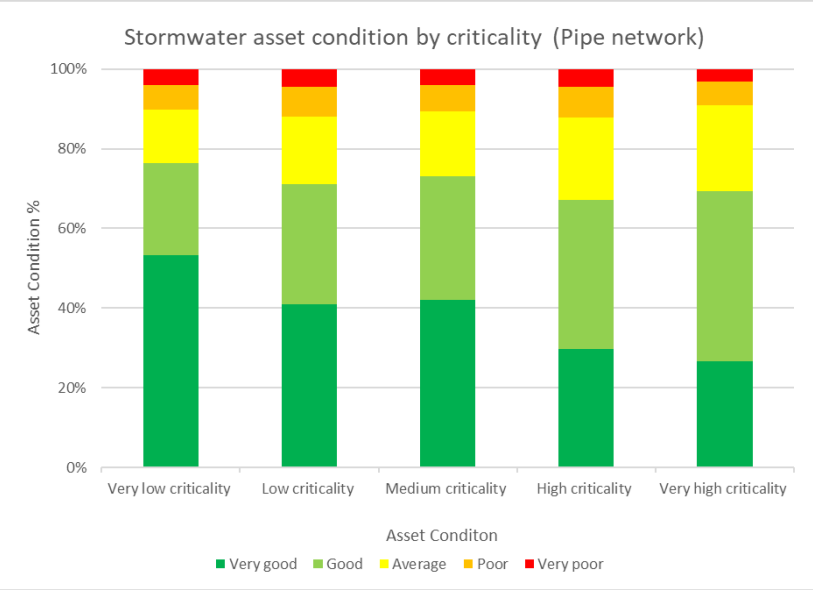


Figure 15. Stormwater Asset Condition by Criticality (Pipe Network)

Pond condition

Actual pond condition was determined in surveys of 232 treatment facilities carried out between 2016 and 2020 - about 30% of all ponds. The inspections covered both structural and functional conditions.

Surveys included pond bathymetry measurements and visual inspections. The condition grades have been divided into structural and functional conditions, to reflect the different components of the surveys and the impact on pond lifecycle management.

Functional conditions were derived from the percent reduction in pond volume, health of plants, and presence of aquatic pest flora.

About 28% of ponds are assessed to be in poor or very poor overall condition.

Asset criticality

Asset classes and individual assets play different roles in the performance of the stormwater system. Their failures also have different impacts on the overall performance of the stormwater system; these impacts are called asset risk.

Asset risk is measured through the consequences and probability of asset failure.

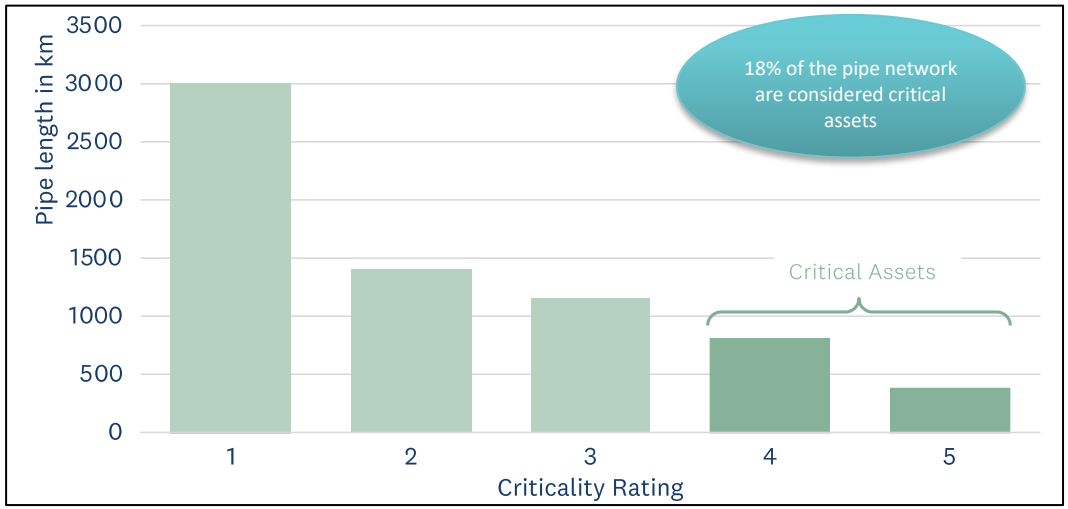
The potential impact of asset failure is measured through asset criticality, which is measured through a multitude of factors. It is measured on a scale from 1 (least critical to 5 (most critical). Criticality models take into consideration different factors such as the volumes of water, proximity to critical infrastructure and buildings, streams, availability of overland flow paths.

Critical assets are identified in asset classes with main conveyance and treatment function as described below:

Pipe criticality

HWFR has maintained asset criticality models for pipes since 2015. The models identify 18% of stormwater pipes as critical (criticality rating of 4 or 5), as shown in Figure 16.

Figure 16: Criticality rating of pipes



Pond criticality

The development of a pond criticality model is in progress and will be completed in 2026. It will incorporate the classification of dams.

Critical urban streams

HWFR is in the process of the criticality assessment of urban streams. Although most of the urban streams do not fall within the immediate scope of the stormwater AMP, HWFR believes it is appropriate to understand the consequences of stream failure on people, property and the environment. This will provide evidentiary base for future decision-making on stream management.

Critical Overland Flow Paths

Overland Flows Paths are mapped on a geospatial platform and made publicly available on Auckland Council's Geomaps service, as well as the Auckland Council Flood Viewer. A prioritisation and site assessment programme is underway as part of the Making Space for Water programme. A criticality model is currently being considered.

Table 3: Asset Details

Parameters	Drinking supply	Wastewater	Stormwater
Average age of Network Assets			38 years
Critical Assets			Identified
Above ground assets Treatment plant/s Percentage or number of above ground assets with a condition rating Percentage of above –ground assets in poor or very poor condition			 695 ponds About 30% of ponds were inspected in the last 9 years. About 28% of ponds are assessed to be in poor or very poor overall condition.
Below ground assets Total Km of reticulation Percentage of network with condition grading Percentage of network in poor or very poor condition	N/A		 6, 915 km of pipes 19% of all pipes with actual condition grading, 62% of critical pipes with actual condition grading. 100% of the network has either actual or modelled condition grading. About 11 % of both critical and non-critical assets are expected to be in poor or very poor condition.

Assumptions:

- the age and length of the network is the average age of pipes as in the Asset valuation report 2024.
- Above ground assets include stormwater ponds – water quality and detention ponds. The data is from the AMP 2024.
- Actual pipe condition data is from the Pipe Inspection Dashboard (Power BI) at 1 July 2025. The modelled condition data is as per pipe condition model 2024, updated with assets added to the registers after 31 March 2024 (the close off date for of asset registers for asset revaluation 2024).

Asset Management Approach

Auckland Council's stormwater capital investment and operational expenditure investment programmes are aligned with the following four focus areas. Where programmes go across multiple focus areas, the costs are apportioned.

Resilient Systems - *Integrated management of the interconnected network to provide stormwater services* Our key responsibility is the provision and operation of the stormwater network. This includes managing the public stormwater systems in accordance with the conditions of the Network Discharge Consent (NDC) and maintaining acceptable and affordable levels of asset risk through a balanced mix of asset renewals, operation, and maintenance activities. It also recognises the dependency and interconnection between the primary piped and secondary overland flow path stormwater systems.	This focus area looks to make the stormwater system: • Safe to the public and the environment. • Reliable and resilient • Managed efficiently, effectively and sustainably
Supporting Growth - *Proactively enabling water sensitive and resilient development* Over the next generation, growth and development will present many opportunities to reshape and rebuild urban areas to protect and enhance our waterways and receiving environments, while creating desirable, high quality, water sensitive, urban and rural environments. Built infrastructure of a good quality is essential. A large proportion of new water infrastructure is constructed by private developers which is then subsequently vested to public ownership.	This focus area looks to: • Promote growth in areas where stormwater effects and natural hazards risks can be effectively managed. • Enable timely investment in stormwater enabling infrastructure • Support new and re-developed areas by infrastructure that is fit for purpose and of an acceptable quality.
Storm Ready - *Making Tāmaki Makaurau and its communities more resilient to natural hazards* It is imperative that we develop coherent programmes of work to accelerate Tāmaki Makaurau's adaptation to climate threats. We need to respond to the growing public sentiment for action on climate and deliver 'no regrets' storm-ready projects across the region that reduce the risks to our communities and build long term resilience for Auckland.	This focus area looks to: • Mitigate existing high risks to life, property and infrastructure from flooding, overland flows and erosion • Make urban and rural areas in the Auckland region resilient to natural hazards and future risks associated with our changing climate. • Inform and educate communities about current and future natural hazards risks.
Managing Water Quality and Healthy Ecosystems – *Protecting and enhancing environmental values and safeguarding public health* Ko te wai te ora o nga mea katoa ("Water is the life giver of all things"). It sustains us, supports our natural environment, and is of high cultural and spiritual significance. New Zealand's outstanding natural environment affords unique lifestyle opportunities such as harvesting Mahinga Kai (food) from streams, rivers, lakes and coastal environments as well as enjoying recreational water-based activities including swimming and boating which are an integral part of living in New Zealand.	This focus area looks to: • Manage discharges from the stormwater network so as to not degrade water ecosystems • Make beaches, lakes, and rivers safe for recreational use • Improve in the health of water bodies to a level suitable for swimming. • Inform and educate the community about water related health, wellbeing, and recreational activities • Advise communities when water bodies are unsafe. • Make water bodies safe for the collection of Mahinga Kai

Auckland Council works to achieve these desired focus area outcomes based on the following underlining principles:

Enabling Māori Outcomes	• Applying a Māori world view to our mahi by supporting:
	  • *Kia ora te taiao kaitiakitanga – collaboraton with mana whenua and maataawaka to contribute to kaitiakitanga outcomes*
	  • *Kia hāngai te kaunihera - staff understanding of Te Tiriti derived obligations and integrating these in the mahi they do.*
	  • *Kia ora te kāinga papakāinga - investment in papakāinga development in Tāmaki Makaurau*
	  • *Kia ora umanga - Māori economic and employment aspirations through project procurement processes, funding workshops and grants*
	  • *Kia ora te Marae - support investment in Marae to becoming flood resilient*

Managing what we already have	• Operate smartly • Repair timely • Prevent from failing where this is the best option
Managing expectations and demand	• Educate communities – help people to help themselves. • Advocate for avoiding storm related risks • Collaborate to achieve stormwater outcomes
Renewing the parts of the stormwater network that are losing their service potential	• Renew proactively where failure is not an option • Renew reactively when it doesn't affect service levels significantly • Monitor asset condition to inform renewals
Investing to meet increasing demand	• Understand future needs and demand drivers • Plan for and fix deficiencies of the past where unavoidable • Invest intelligently to support future needs – build, fund, collaborate

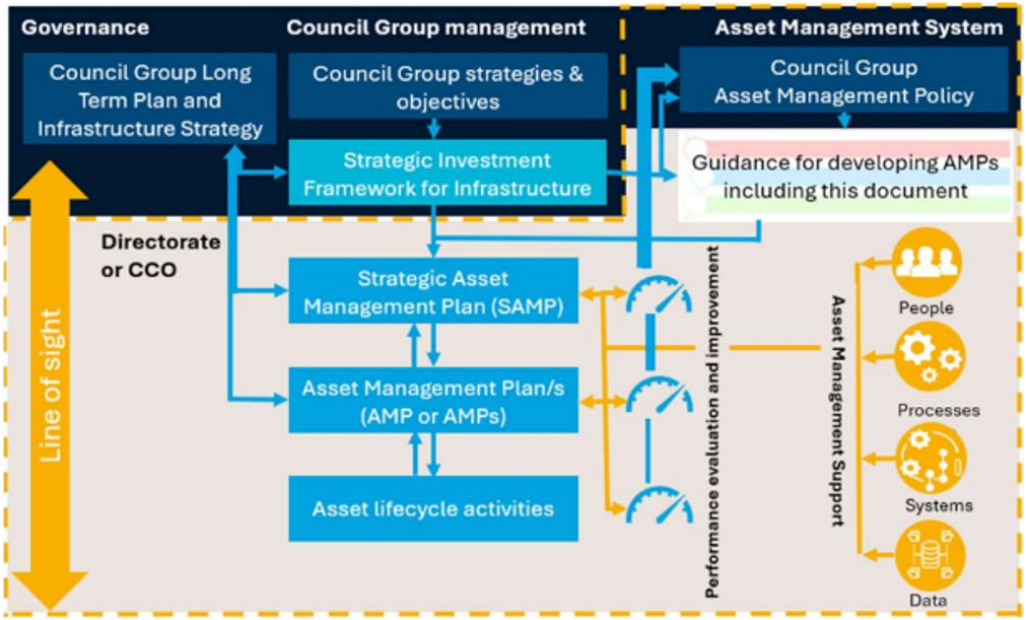


Figure 17. Auckland Council Group Asset Management System

Asset Management Systems

Asset Management priorities are derived from the suite of Auckland Council strategic documents, including the Long-term Plan and the Infrastructure Strategy. Figure 17 above depicts the Auckland Council Group Asset Management System.

Supporting Asset Management Policy

The following principles have been adopted to underpin asset management across the Council Group. These principles are universal and apply to all asset types and asset management activities within the scope of the policy.

Auckland Council is committed to aligning core asset management practices with the International Standard for Asset Management (ISO 5500X series) through:

1. Sustainable Service Delivery

Asset management that focuses on the value assets provide to support legislated requirements, Council Group priorities and the service delivery needs of Aucklanders. This includes:

i. Custodianship focused on sustainable and resilient communities, through long term planning that recognises the needs of current and future generations and uses a whole-of-life management approach

ii. Responsible management practices and decisions that appropriately balance whole-of-life cost, risk and levels of service

2. Strategic alignment

Ensuring that Council Group priorities are demonstrated in the development of Strategic Asset Management Plans and Asset Management Plans, and that trade-offs and risks are described consistently between plans using consistent comparative prioritisation criteria.

3. Integration

Integrating asset management systems with other business functions, processes, activities and data, including, but not limited to Long Term Planning, annual budgets, organisational structure, financial management, growth planning, sustainability principles, external reporting, risk management, project management, investment assurance, corporate planning and human resources.

4. Active leadership

Active, visible leadership for asset management across the Council Group that fosters collaboration, empowers people to proactively improve their asset management capabilities, and provides resource capacity to deliver on this policy.

5. Robust decision-making

Planning and decision-making that reflects the inter-dependency of assets, organisations, systems, and externalities (e.g. climate) with the intent of managing criticality, risk and opportunity.

Gathering and managing standardised asset information and developing insight to enable transparent evidence-based asset management and investment decisions at both a governance and operational level.

6. Measuring effectiveness & continually improving

Undertaking annual performance reviews and external audits at least every three years, to measure and report on the effectiveness of asset management systems in supporting the delivery of Council Group priorities.

Periodically reviewing and prioritising opportunities for continual improvement, using evidence to drive innovation that delivers value while aligning with the organisation's risk appetite.

Asset Management Maturity Assessment

The framework being implemented by Auckland Council to measure asset management maturity is the Asset Management Maturity framework developed by Āpōpō, the professional association of NZ asset managers. This Framework includes all aspects of asset management practice, not just Asset Management Plans.

The process of assessing asset management maturity includes setting a target level of maturity that is appropriate for the asset portfolio being managed and developing an improvement plan to close the gap between current and target asset management maturity.

Statement of Regulatory Compliance

OVERVIEW OF APPLICABLE LEGISLATION

This section outlines the core legislation applicable to stormwater management at Auckland Council.

Resource Management Act 1991

The Resource Management Act (RMA) 1991 is based on the principle of sustainable natural resource management, considering effects of activities on the environment now and in the future. The requirements of the RMA are promulgated through Auckland's Unitary Plan (AUP), which sets out controls on land use and activities that may impact the environment, including when resource consents are required. The RMA is also implemented by a series of national direction instruments, the most pertinent being the National Environmental Standard (NES) for Freshwater, which sets out specific controls in relation to working in streams and natural wetlands; NES for Contaminant Soils, which sets out controls on construction activities in areas identified as having potentially contaminated land; and the National Policy Statement for Urban Development, which requires council to develop a Future Development Strategy, of which stormwater must form part.

At time of writing, HWFR Resilience holds approximately 740 resource management consents, as summarised in the Table 4 below, which are tracked and monitored through proprietary consent management software. HWFR typically have 30-40 consent applications in process at any given time. HWFR have an internal team responsible for managing compliance requirements, who regularly report to the council's Licensing and Compliance Department.

To reduce the number of consents required, the department has been actively seeking region-wide consents that enable its network operations as well as common construction activities to be undertaken consistently across the region:

The first of these was a region-wide Network Discharge Consent, issued in 2019 and controls the diversion and discharge of water through the stormwater network. This consent requires 6 yearly reviews which assesses the department's performance against qualitative and quantitative targets as well as through feedback from local boards, iwi, the development community and environmental community groups. The consent also outlines processes and criteria which developers must follow to enable the vesting of stormwater infrastructure to council, including at the plan change phase. This enables the consent to apply to current and future land use. The consent expires on 26 November 2052.

Other region-wide consents include a Tree Consent, which enable works on trees as part of operational and construction activities; and Fish Passage Remediation Consent, which enables the removal of fish passage barriers and associated construction activities. As part of efficiency improvements, HWFR is currently seeking other region-wide consents, including those associated with works within streams and the removal of stream and outlet blockages.

Table 4 Resource Consent Details

Activity Type	Number	Due to expire in next 10 years	Comment
Stormwater discharge	188	100	All existing urban stormwater consents will be surrendered in the near future, given region-wide stormwater Network Discharge Consent is in place. There will be some rural discharge consents related to drainage systems that will remain, as the Network Discharge Consent only covers urban areas.

Infrastructure	201	33	Relates to the physical presence of infrastructure such as outfalls and dams in coastal management areas or stream beds
Construction	348	N/A	Relates to construction activities including tree management, earthworks, vegetation clearance, streams work

Taumata Arowai–the Water Services Regulator Act 2020

This Act establishes and empowers the Water Services Authority-Taumata Arowai as the water services regulator for New Zealand. Taumata Arowai oversees and enforces a new drinking water regulatory framework, with an additional oversight role for wastewater and stormwater networks. Taumata Arowai also has the responsibility for monitoring and reporting on the environmental performance of wastewater and stormwater networks, although regulation to cover stormwater does not exist at present and will put in place a performance measurement framework to do this in the next few years. In preparation for this new regime, HWFR is undertaking a review of its performance measures to assess the outcomes the department is seeking to monitor and the feasibility of gathering the required information to do so.

Local Government Act 2002 and Amendments

This key piece of legislation sets out local government responsibilities and powers is the Local Government Act 2002 and its amendments. Under this legislation, Auckland Council must compile Long Term Plans (LTP) which set out the council's budget and performance measures for meeting the requirements of the Act, with subsequent annual reporting to monitor progress. The development of an Infrastructure Strategy is also required, which must set out the long-term management of assets to ensure that they continue to deliver on levels of service over the next 30 years.

In relation to specific stormwater requirements:

- While the act does not impose on council responsibility to provide stormwater reticulation, where council has done so, it does impose responsibility to maintain/operate that network within the prevailing legislative responsibilities.
- S181 of the act also sets out approvals required for the entry of private property to the undertake works – these are managed by a dedicated team within HWFR.
- A Stormwater Bylaw enabled through this Act is in place to manage effects on the stormwater network.

This Stormwater Delivery Plan aligns with the outcomes sought and budgets approved under the 2024 LTP, council's 2024 Infrastructure Strategy and AP 26.

Building (Dam Safety) Regulations 2022

Promulgated through the Building Act, regulations aim to enhance the resilience and safety of dams in New Zealand, protecting people, property, and the environment from potential dam failures. They set out the minimum requirements for dam safety and provide guidance for dam owners and technical practitioners. The regulations only cover dams that are at least 4 meters in height and store 20,000 cubic meters or more of water or other fluid are considered classifiable.

All HWFR classifiable dams underwent a Potential Impact Classification (PIC) assessment and certificates were issued in August 2024. This review identified 8 High PIC, 2 Medium PIC and 45 Low PIC stormwater dams. As review of PICs are required every 5 years, the next review will be in 2029.

HWFR have carried out a 5-yearly Comprehensive Dam Safety Review and Intermediate Dam Safety Reviews for all medium to high PIC dams, ensuring compliance with regulatory expectations. According to the regulations, dam owners must submit a Dam Safety Assurance Plan (DSAP) within 12 months for dams classified as High PIC, and within 2 years for those classified as Medium PIC. Our DSAP is currently in development, and we are on track to meet the required submission deadlines.

For dams classified as Low PIC, the only regulatory requirement is to review their PIC status every five years. However, HWFR are proactively conducting inspections and assessments of these dams to ensure the council continues to uphold its responsibilities to public safety, the community, and the environment

Civil Defence Emergency Management Act 2002

The Act assigns responsibilities to Auckland Council as a lifeline utility to ensure the resilience of the network and work with CDEM to plan for, respond to, and recover from local, regional, and national emergencies. HWFR works closed with Auckland Emergency Management with respect to event preparedness, response and recovery.

Health Act 1956 and Soil Conservation & Rivers Control Act 1941

Both these Acts have obligations around flood management, as set out below:

Under the Health Act, Council has a duty to improve, promote, and protect public health within the Auckland Region. For this purpose, Council is required to provide sanitary works, which includes stormwater services, and to conduct regular inspections to identify nuisances or any conditions likely to be injurious to health or offensive, and to abate any such nuisances or injurious conditions.

The objectives of the Soil Conservation and Rivers Control Act are the promotion of soil conservation, the prevention and mitigation of soil erosion, and the prevention of damage by floods. The Act grants functions and powers to the relevant local authority for the purposes of the Act, including the function to minimise and prevent damage within its district by floods and erosion.

Local Government Water Services (Preliminary Arrangements) Act 2024

This stormwater services delivery plan is a requirement of this Act.

The work programme and associated budgets in the Stormwater Delivery Plan also aims to meet these obligations.

Climate Change Response (Zero Carbon) Amendment Act 2019

This act set the framework for New Zealand's transition to a low emissions and climate resilient economy and requires local authorities to report both hazard risk and the adaptation measures implemented. HWFR works with the wider council teams responsible for the implementation of this act.

Reserves Act 1977

The Reserves Act enable the creation of special purposes reserves such as those for stormwater purposes, and outlines requirements associated with consultation and works for their management.

Te Tiriti o Waitangi – The Treaty of Waitangi

Underpinning everything the council does are the principles of Te Tiriti o Waitangi - the Treaty of Waitangi, which are incorporated into the overall planning process for Auckland Council. Council has drafted Te Aranga Māori Design Principles, in consultation with mana whenua, to provide practical guidance for enhancing outcomes for Tāmaki Makaurau.

HWFR must also comply with **the Privacy Act 2020** and **Local Government Official Information and Meetings Act 1987**, working within wider council processes to meet these.

CONSENT COMPLIANCE

Since 2020 the following RMA infringements and warnings have been issued to HWFR:

- Infringement Notice for Tahi Road stormwater project for discharge of sediment. August 2020. This was issued for a flood mitigation project located in Tahi Road, Waiheke Island on 7 August 2020. The section 9 RMA $300 infringement was issued to HWFR contractor, Downer, for discharge of sediment contaminated water during a storm event

into a nearby water body. The discharge was immediately ceased at the time, and the compliance unit was informed. The contractor remedied the cause of issue to prevent it from happening again in the future.

- Formal warning for administrative NDC compliance. December 2021. NDC was not meeting timeframes required for some documents and plans. Staff focussed more on delivering those complex plans and have since been satisfied. No environmental effects occurred.
- Formal warning for administrative breach of management plan condition for Hinemoa Street stormwater project 28 Jan 2025. This related to an erosion and sediment control plan that was submitted to Healthy Waters. Not understanding the need to be certified by the council's compliance team, work began after providing the plans to HWFR. No environmental effects occurred as they were implementing the erosion and sediment control plan and managed the site well. Staff and contractors have since been further trained on understanding the need to meet conditions of resource consents including submitting and certifying plans by regulatory.

CORONER INQUESTS

While not a specific compliance matter, included below is information on coroner inquests that HWFR have been involved in and have had direct implications to the department's levels of service:

Deaths from Auckland Anniversary Floods and Cyclone Gabrielle in early 2023

The following deaths occurred within the Auckland region during the Auckland Anniversary Weekend floods: Daniel Miller, drowned in a culvert on Target Rd; Daniel Newth, drowned in a culvert while kayaking; David Lennard, died as a result of a landslip at this home. Hearings for the coroner inquest on these deaths, as well as the deaths of two volunteer firefighters Dave van Zwanenberg and Craig Stevens as a result of landslides from Cyclone Gabrielle, are scheduled to be held from 30 June to 4 July 2025, and from 18-29 August 2025. Specifically, the hearings are likely to look at what warnings were issued to the public, the weather forecasts, what was known about landslide risks in relevant areas, and whether emergency responses were adequate, timely and appropriate.

Tupou [2021] NZCorC 88 (1 June 2021) (**File Ref: CSU-2017-AUK-000681)**

This inquest related to the death of relating to Violet Tupou aged 17: on 3 June 2017, Violet Tupou was playing with her tennis racket and tennis ball on a street near her home. Violet then lost her ball in a drain and sought to retrieve it but became stuck inside the drain and drowned.

The coroner found that in response to Violet's death:

Auckland Council and Auckland Transport have made concerted and principled efforts to identify safety issues with catchpits, to assess the identified issues within a wider safety framework and to respond to recommendations made to improve safety of catchpits, within exigencies imposed by Covid 19 and ensuing budget restrictions. As set out earlier in these findings, a number of positive safety steps have been and are being taken by Auckland Council and Auckland Transport. I commend these organisations for the work they have done to date.

However, for the meantime, the risk of danger to the public from unauthorised removal of catchpit grates and the dangers associated with open catchpits (including people trying to retrieve lost items) remains.

Additional recommendations included:

- To ensure that there is ongoing public awareness of catchpit hazards and Auckland Council's process for retrieval of items from catchpits, that Auckland Council and Auckland Transport prepare a further (or updated if deemed appropriate) public communications plan for improving/refreshing public awareness of catchpit safety.
- That the retrofitting of 'lockable safety catchpits' on catchpits that are considered higher priority remains on Auckland Council's asset improvement programme for implementation when the asset improvement programme is reinstated.

- Auckland Council sends a copy of these findings together with advice that the Opus International Catchpit Safety Review reports are available on its website to all Councils in New Zealand.
- Auckland Council /Auckland Transport supported the above recommendations and comments and have undertaken the following steps:
  - Have provided public safety messages on the dangers of catchpits.
  - Continue to install 'lockable safety catchpits' on catchpits that are considered higher priority. The intention is that this is an ongoing renewal allocation, subject to the approval of Auckland Council's annual budget.
  - Auckland Council and Auckland Transport have sent copy of these findings, together with website access to the supporting WSP (formerly Opus International Consultants) reports, to all Councils in New Zealand.

Coronial Inquest Aisling Symes June 2011 CSU-2009-AUK-001378

This inquest related to the death of Aisling Symes, of West Auckland, who died on October 5, 2009, after a heavy rainfall lifted a manhole cover on a Housing Corporation property. She fell into the flooded manhole and drowned. Waitakere City Council, now part of Auckland Council, had received regular complaints about the particular manhole cover lifting after heavy rain. The recommendations are summarised as follows:

- National Guidelines: Local Government New Zealand (LGNZ) should establish national stormwater management guidelines, including safety measures (e.g., grilles), service levels for surcharging manholes, and risk management policies.
- Integrated Risk Management: TLAs should adopt an Integrated Risk Management policy, linking infrastructure planning, asset management, and corporate risk strategies.
- Immediate Safety Measures: TLAs should secure or install grilles on high-risk manholes identified through modelling or maintenance reports.
- Improved Contracts: Include quality assurance in maintenance contracts to ensure effective work orders.
- Monitoring Systems: Fit key stormwater pipes with telemetered sensors for real-time performance tracking.
- Call-Centre Protocols: Implement complaint tracking with reference numbers for follow-up.
- Response Prioritization: Review procedures for addressing displaced manhole covers.
- Repeat Complaint Analysis: Investigate recurring issues in stormwater networks.
- Risk Assessment: Develop systems to identify and rank public safety risks around manholes.
- Risk Profiling: Assess all manholes based on service level, depth, and location for public safety risks.

The recommendation from this inquest has resulted in the addition of a level of service report to measure the response time to reported "popped manholes".

Table 5 Consent Information

Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
Drinking water supply • Bacterial compliance (E. coli) • Protozoa compliance • Chemical compliance • Boiling water notices in place • Fluoridation • Average consumption of drinking water • Water restrictions in place (last 3 years) • Firefighting sufficient	N/A		n/a

Resource Management
• Significant consents (note if consent is expired and operating on S124)
 	
• Expire in the next 10 years
 	
• Non-compliance:
  • Significant risk non-compliance
  • Moderate risk non-compliance
  • Low risk non-compliance
 	
• Active resource consent applications
 	
• Compliance actions (last 24 months):
  • Warning
  • Abatement notice
  • Infringement notice
  • Enforcement order
  • Convictions
			1 region-wide network stormwater discharge issued in 2019, expiring 26 November 2052.
			
			133
			
			0
			0
			0
			
			30-40 at any given time
			
			1
			0
			0
			0
			0

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

The forecast capital expenditure for Auckland Council Stormwater from 2024 LTP and AP 26 is detailed in Table 7 'Projected Investments' below.

There are currently over 370 projects at various stages of delivery in Auckland Council's stormwater capital programme. A stormwater project typically delivers multiple outcomes. A sample of significant projects or programmes of work are listed below under their primary driver categories.

1. Primary Driver: Level of Service Improvement (flood resilience, water quality improvement, environmental and biodiversity improvement)
    1.1. **Central Interceptor Extension - Point Erin Tunnel.** A joint investment with Watercare to reduce combined stormwater and wastewater overflows in the St Marys Bay and Herne Bay catchments. The project will improve water quality for contact recreation along Auckland's Waterfront through the reduction in overflows. This project is part of the Western Isthmus Water Quality Improvement Program initiated in the 2018 Long Term Plan. This projects primary driver is improving water quality, but it will also enable growth.
    1.2. **The Making Space for Water Blue Green Network Projects.** These are major flood resilience projects initiated after the 2023 Anniversary Day and Cyclone Gabrielle flooding. The projects create floodways and flood attenuation areas to reduce flood risk to large areas of existing development. The programme includes Te Ararata and Harania Creek in Mangere, Clover Drive in West Auckland and the Wairau Creek in the North Shore, which are areas that had habitable floor flooding in the 2023 event. The primary driver of these projects is improving flood resilience, but they also enable growth and improve the environment and biodiversity.
2. Primary Driver: Growth
    2.1. **Boundary Reserve West Wetland and Daylighting**, this project is being delivery in collaboration with Kainga Ora and the Tamaki Redevelopment Company in Tamaki, the project enables housing development in the Tamaki Area by mitigating the effects of increased runoff from increased housing density. The primary driver of this project is to enable growth, but it also improves flood resilience and the environment and biodiversity.
    2.2. **Catchment and Asset Planning**, this ongoing programme of work develops the Catchment models and plans that the private development sector utilise to design stormwater systems, they provide flooding, hydrology and watercourse information to inform all stages of the development process from plan changes through to building consents. The primary driver of those programme is growth, but it also supports improvements for flood resilience, Water Quality, environment and biodiversity.
3. Primary Driver: Renewal
    3.1. **East Tamaki Dam renewal and upgrade,** The East Tamaki Dam mitigates the flooding impacts of the upstream Flatbush developments and protects downstream properties in Otara from flood risk. This is dam requires upgrades to the spillway to comply with new Dam safety regulations. The primary driver of this project is asset renewal and compliance with the Dam Safety regulations; it also improves flood resilience.
    3.2. **Waiatarua Stormwater Tunnel Rehabilitation (Remuera Road)**. The Waiatarua stormwater tunned is the sole stormwater outlet for the Waiatarua Reserve. This is a Critical Asset, and the consequence of failure could flood a very large urban area. Condition surveys have identified sections of the tunnel than need repair and this project will renew the asset and determine of redundancy should be provided with a parallel tunnel. The primary driver of this project is asset renewal, but the work will also improve flood resilience.

The forecast trend of investment in Growth, level of service and improvement and Renewals beyond 2034 are included in the Asset Management plan. The trends are based on a mixture of known projects such as the Tamaki Primary network upgrades and modelled forecasts.

Auckland Council performance on all current DIA non-financial performance standards has been at or above required levels, with the exception of habitable floor flooding and storm response during recent significant weather events. Planned capital investment (and operating budgets) have been adjusted in the most recent annual plan to address these

critical points of failure and are reflected in the projects highlighted above. Auckland Council is working in collaboration with Taumata Arowai to development new service level metrics and expects to refine these in order to more closely align investment with desired outcomes, particularly in respect of risk mitigations in response to the intensification of rainfall during storms.

Table 7: Projected Investments

Projected investment in water services $000	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Drinking Water										
Capital expenditure - to meet additional demand	**N/A**									
Capital expenditure - to improve levels of services										
Capital expenditure - to replace existing assets										
Total projected investment for drinking water										
Wastewater										
Capital expenditure - to meet additional demand	**N/A**									
Capital expenditure - to improve levels of services										
Capital expenditure - to replace existing assets										
Total projected investment for wastewater										
Stormwater										
Capital expenditure - to meet additional demand	34,559	49,887	41,686	49,374	64,247	57,745	51,393	67,154	67,436	71,241
Capital expenditure - to improve levels of services	120,785	101,498	102,818	116,749	113,549	69,324	85,474	77,553	60,151	64,552
Capital Expenditure - to replace existing assets	38,194	52,833	33,016	41,143	12,321	53,706	53,106	62,243	82,129	64.731
Total Projected Investment for Stormwater	193,538	204,218	177,520	207,266	190,117	180,775	189,973	206,950	209,716	200,524
Total projected investment in water services										

Table 8: Historical delivery against planned investment

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

Delivery against planned investment $000	Renewals investment for water services				Total investment in water services			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Grand Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Grand Total
Total planned investment (set in the relevant LTP)	38,000	147,000	106,000	291,000	194,000	400,000	385,000	979,000
Total actual investment	76,000	177,000	96,000	349,000	169,000	382,000	397,000	948,000
Delivery against planned investment (%)	**200%**	**120%**	**91%**	**120%**	**87%**	**96%**	**103%**	**97%**

Table 8 provides detailed of planned versus actual capital expenditure spend on renewals and on total stormwater infrastructure. The variance between actual and forecasted stormwater capital expenditure—across growth, levels of service improvement, and renewals—can be attributed to several factors that influence project delivery. One key reason is the variability in the mix of projects delivered each financial year, often impacted by external constraints such as consenting delays or land access issues. To manage this uncertainty, we deliberately over-programme our capital works, enabling us to substitute delayed projects with others that are ready to proceed. This flexibility is crucial, particularly in response to major events like the Anniversary Day Floods and Cyclone Gabrielle, which require immediate reprioritisation to meet evolving community needs. This is clearly visible in the 2024/25 actual to plan performance where renewals doubled as a result of storm response. Additionally, the 2020/2021 Annual Budget was significantly affected by the COVID-19 pandemic, which necessitated a sudden halt to many projects in the capital programme. During this period, only contractually committed projects were able to proceed, further contributing to the variance between planned and actual expenditure.

Part C: Revenue and financing arrangements

Revenue and charging arrangements

Revenue and charging arrangements
Charging and billing arrangements
Water services revenue requirements and sources
Stormwater services in Auckland are funded through a combination of general rates, targeted rates, and development contributions. These funding mechanisms are outlined in Auckland Council's Revenue and Financing Policy, adopted on 27 June 2024, which provides transparency and predictability around the sources and levels of funding available to the Council. The policy explains the rationale behind selecting specific funding tools to support both operating and capital expenditure. For stormwater management, general rates primarily fund core services, while targeted rates are applied where specific projects benefit a defined group of ratepayers—such as localised infrastructure upgrades or maintenance. Targeted rates may also be used to fund interest and capital costs for infrastructure not covered by development contributions. Development contributions fund the majority of growth-related public infrastructure, while financial contributions are also provided for in the policy to support environmental mitigation through the resource consent process. Borrowings are used to spread costs fairly across generations and manage cash flow timing. In some cases, targeted rates are applied universally on a differential basis (e.g. business vs. non-business) to enhance transparency around how funds are allocated and spent, compared to just using general rates.
The affordability of projected water services charges for communities
Affordability of projected stormwater service charges is carefully considered within the broader context of overall rates and fees during the Council's Long-Term Plan (LTP) process. Stormwater rates are not assessed in isolation; they form part of the total rating burden on households and businesses, which is evaluated to ensure fairness and sustainability. For ratepayers experiencing financial hardship, support is available through the Council's rates postponement scheme or the rates rebate programme, which is administered on behalf of the Department of Internal Affairs. Additionally, business and farm/lifestyle properties benefit from the ability to expense rates and claim back GST, effectively reducing their net cost. In setting the 2024 LTP, Council reaffirmed its fiscal rules as part of its financial strategy to ensure prudent financial management. These include a reduced debt-to-revenue ratio limit of 270%, with a long-term target below 250%, reflecting improved debt capacity following the sale of AIAL shares. Council also committed to fully funding depreciation by 2028 to ease future debt pressures, maintaining a debt servicing-to-revenue limit of 15%, and introducing a new quantified limit on rates increases—capped at 1.5% per annum above inflation (based on CPI or the Local Government Cost Index). These measures collectively support the affordability and sustainability of stormwater services for all ratepayers.

Funding and financing arrangements

Water services financing requirements and sources

Projected borrowing requirements

To help deliver the planned $1.8 billion in water infrastructure investment, the council will raise new borrowings totalling approximately $449 million between FY24/25 and FY33/34. Borrowing is front-loaded, with higher drawdowns in the first five years to support planned capital investment. This borrowing profile is consistent with prudent intergenerational funding practices and supports timely asset delivery.

Minimum cash and working capital requirements

The Plan ensures year-end cash surpluses from operations remain positive and growing over the 10-year period. These reserves exceed projected working capital needs and provide liquidity for both operational fluctuations and capital delivery buffers. The Plan does not project the need for short-term working capital finance due to the strength of its operating cashflow position.

Borrowing and liquidity limits for all council business

The council maintains a group-wide borrowing limit of 270% of operating revenue. Our current debt-to-revenue ratio is sitting at 250% at the end of 2024/2025 and is projected to reduce consistently over the 10-year period of the Plan to 175%. The calculation of this ratio excludes Watercare debt and revenue numbers from 1 July 2025 onwards, reflection the financial separation of Watercare from that date.

Financial strategy for financing water services investment and operating expenditure

The financial strategy as set out in the LTP 2024-34 seeks to help improve Auckland's physical and financial resilience over the next decade. This means putting Auckland Council onto a sustainable financial path where we can affordably deliver the infrastructure and services expected by Aucklanders to help them live their lives better. Healthy Waters teams have prepared thorough asset management plans that provide for performance-based and condition-based renewals programmes, especially for critical assets. This includes the prioritisation of projects to catch up on renewals that have been previously deferred. The planned investment in this activity over the next decade will ensure current service levels can be maintained and that we can cater for growth in the region.

Generally, the council employs a multi-pronged funding approach for the stormwater activity:

- Operating surpluses fund day-to-day service delivery and contribute to capital investment.
- Development contributions recover some of the cost of growth-related infrastructure.
- Targeted and general rates are set to recover depreciation and fund ongoing renewal and growth investments.
- Debt is used where intergenerational equity or funding shortfalls are justified.

This mix ensures that users pay appropriately while long-term assets are funded in a way that balances affordability and equity.

How interest rate and refinance risk will be managed

Council's Treasury Management Policy details how we plan to manage the key risks in relation to our borrowings. Two of the most significant risks are the risk of rising interest rates and the risk that we are unable to borrow funds when needed. The main way we protect the council from rises in interest rates is using hedging to fix interest rates. This locks in the council's future borrowing cost for a certain period to largely protect us from rising interest rates. To ensure that we are not too dependent on the state of global financial markets we ensure that we always have sufficient cash liquid investments and committed lines of credit available to allow us to pay our bills for at least the next six months. We also source borrowings from a range of domestic and international lenders so that a problem with any one provider of borrowings does not have too large an impact.

Debt repayment strategy

Debt repayment decisions are driven by the council's liquidity profile, contractual terms, debt levels and sustainable funding needs. Debt repayments (both interest and principal) are governed by:

• the council's policy of maintaining forecast prudential ratios within specified limits

• the council's projected liquidity profile

• spreading the council's borrowings over a range of maturities to reduce the concentration of debt repayments at any one point in time

• contractual terms and conditions of borrowing (funds must be available to repay debt as and when it falls due) • the need to preserve borrowing flexibility.
Internal borrowing arrangements
Auckland Council does not currently have any internal borrowing arrangements between the stormwater area and any other areas of the council.
Determination of debt attributed to water services
Debt allocation to stormwater activity The debt allocated to the stormwater activity on 30 June 2024 is $1.089 billion. This total debt figure has been estimated based on prior analysis conducted by the council's Treasury team as part of preparatory work for Water Reform. This analysis has since been updated to reflect the latest available data on asset valuations, existing debt levels, and revenue forecasts.

Insurance arrangements

The primary tool Auckland Council employs for risk financing is insurance, supplemented by council's Self-Insurance Fund (SIF) and, in certain circumstances, emergency government support arrangements. With the increasing costs and challenges of insurance, our risk financing strategy is regularly updated to reflect the changing risk environment (including climate change risks), the nature of our business, and the criticality and location of our assets.

Our insurance programme is made up of commonly available insurance policies and leverages a mix of external insurance and self-insurance. The primary insurance policies for stormwater cover all above and below ground infrastructure assets (in separate policies), included on a declared assets schedule. The Self-Insurance Fund (SIF) acts as the economic equivalent of a captive insurer and operates a loss reserve fund (managed by external fund managers) to provide discretionary financial support for Auckland Council and its substantive CCOs. Premiums charged by the SIF are based on market rates determined by a nominated insurance broker. We use the SIF to support our external market arrangements as appropriate.

Under the Civil Defence Emergency Management Act 2002 (CDEM), local authorities can access discretionary funding up to 60% of the total loss when a loss event occurs.

The levels of insurance coverage on stormwater assets are detailed below:

- Current Deductible is $10m
- Above Ground Limit $1b
- Infrastructure Limit $1.5b (for the Below ground assets).
- Policies up to $10m are covered by the SIF. There are some policies that are outside the scope of the Self-Insurance fund and cannot be covered by the fund, such as, motor vehicle, contract works & Directors and Officers.
- Excludes Terrorism Premium.
- Assumes no consideration to Fire Levies.

Valuations for assets are generally completed on a 3-year cycle for both above and below ground assets. There are a few factors that will establish the final premium of water assets. These are in an asset schedule that is provided to the insurer along with the descriptions of the assets, their location, age and value and any claims history. The insurer produces modelling of the assets along with a risk profile.

Policies are renewed annually. Auckland Council does not undertake annual insurance risk assessments currently but has begun cumulative loss modelling work for above and below ground assets and non-insured assets, the purpose of the modelling is to understand current and future risks and mitigating and building resilience. Our broker conducts around 15-20 site surveys on council owned assets. The purpose of the site survey is to evaluate the exposures to loss of property and business interruption due to fire, theft, and other perils.

Reporting on the activities and performance of Auckland Council's insurance arrangements are provided to both the Audit and Risk, and Revenue and Expenditure committees.

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 Plan confirms that water services delivery will be financially sustainable through a strategy that demonstrates revenue sufficiency, investment sufficiency, and financing sufficiency. Projected operating revenues increase steadily across the Plan period, with sufficient annual surpluses to cover all operating costs, including debt servicing. Notably, Free Funds from Operations (FFO) grow year-on-year, improving the council's ability to service debt and maintaining strong financial flexibility. These operating trends confirm that core revenue streams are aligned with the cost structure of service delivery, satisfying the Revenue Sufficiency test.

In terms of investment sufficiency, the Plan supports over $1.8 billion in capital works to maintain, improve, and expand water infrastructure. This programme is based on established asset management planning and meets all expected levels of service, statutory compliance, and growth-related needs. Investment is prioritised and sequenced to align with funding availability and project readiness, ensuring delivery is both practical and aligned with outcomes sought.

The Plan's financing strategy confirms that these investments are fully funded via a mix of capital grants, development contributions, operating surpluses, and debt. The council's total projected borrowings remain within the overall borrowing limits set by the council. The net debt to operating revenue ratio stays below the 500% threshold in every year from FY24/25 to FY33/34. The net debt to revenue ratio for stormwater declines from 487% to 441%, showing a strengthening financial position and increasing headroom over time. Borrowing headroom ranges from $30 million to $207 million, confirming that the council is operating well within its debt capacity. The council's improving Free Funds from Operations (FFO) to debt ratio, rising from 9.6% to 11.6%, demonstrates strong debt-servicing capacity. This trend supports the council's ability to secure required borrowings, as it reflects sound financial management and operational performance

Taken together, this confirms the Plan's compliance with the financing sufficiency assessment. Operating and capital funding requirements are fully met, investment is scaled appropriately to strategic goals, and financial resilience improves consistently over time. The council is therefore well positioned to deliver water services in a financially sustainable manner and continue doing so into the long term.

Actions required to achieve financially sustainable delivery of water services

To support financially sustainable delivery of water services by 30 June 2028, the council proposes a phased and responsible revenue strategy. Projected operating revenues—including general rates, targeted rates, and user charges—are set to rise steadily over the 10-year horizon, ensuring they remain aligned with the costs of service provision. These projections have been developed with the explicit objective of achieving full cost recovery, including the ongoing recovery of depreciation to support asset renewal funding. This approach safeguards the integrity of the water services system and reduces reliance on reactive or deferred investment.

The council is committing over $1.8 billion in capital investment in water infrastructure over the Plan period, focusing on maintaining existing levels of service, complying with evolving regulatory requirements, and accommodating anticipated growth. Early investment is prioritised to address legacy infrastructure gaps, ensure resilience, and future-proof the network. These investments are sequenced and scoped based on asset condition, demand profiles, and affordability. The capital programme is guided by strategic asset management planning, ensuring each year's work programme is deliverable within forecast funding levels and capacity constraints.

Borrowing levels are planned to remain within council-determined limits by aligning debt requirements with long-term investment planning and maintaining strong operating performance. The financial strategy ensures that net debt does not exceed 500% of operating revenue, with consistent headroom maintained across all years of the plan. This is achieved through capital expenditure programming, revenue setting that recovers depreciation and supports surpluses, and improving free funds from operations, which enhance debt-servicing capacity. Together, these measures provide confidence that borrowing will remain sustainable and compliant with policy thresholds.

Risks and constraints to achieving financially sustainable delivery of water services

There is a risk that future investment levels in stormwater infrastructure may outpace the growth of revenue funding. This imbalance could arise from escalating climate resilience requirements, changing growth patterns, aging infrastructure replacement needs, regulatory compliance costs, or community demands for improved service levels. If capital and operational expenditures consistently exceed revenue inflows, it may lead to unsustainable financial pressure and deferred maintenance. To mitigate this risk, we implement long-term financial planning, including asset management plans that align investment needs with funding capacity. Regular reviews of revenue sources will be undertaken to ensure they remain adequate and responsive to evolving investment demands.

Fluctuations in interest rates could also pose a risk to the financial sustainability of stormwater activities. To mitigate this risk, we protect the council from rises in interest rates using hedging to fix interest rates. This locks in the council's future borrowing cost for a certain period to largely protect us from rising interest rates.

The revenue forecast in this plan does not account for the proposed changes to the Local Government Water Services Bill regarding land access. Currently, routine maintenance of public stormwater assets on private land can be carried out without prior notice. However, under the new provisions, a minimum of 10 days' notice will be required, along with additional time and costs for internal reviews if objections arise.

Given that over 60% of Auckland's stormwater pipes and manholes are located on private land, we anticipate that maintenance response times for non-urgent work will increase by at least 10 days. Furthermore, the additional administrative processes will significantly raise operational costs—in many cases, potentially exceeding the actual cost of the maintenance work itself.

Stormwater network risk management plans (SW-RMPs) as proposed under the Local Government (Water Services) Bill will be key to defining—and limiting—the scope of stormwater services. By mapping infrastructure, identifying hazards, and setting risk management measures, the plan will need to create clear boundaries for council responsibilities.

Financial sustainability assessment - revenue sufficiency

Assessment of revenue sufficiency

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

The Plan demonstrates that projected revenues are sufficient to support the ongoing delivery of stormwater activities, both operationally and in funding required capital investment. Financial forecasts across the 10-year period show that revenue growth is aligned with cost escalation, debt servicing requirements, and long-term investment needs, satisfying the Revenue Sufficiency test.

Operating revenue increases over the 10-year period, with this growth broadly aligned to forecast increases in staff costs, overheads, depreciation, and financing expenses. Across all years, the Plan delivers a net operating surplus, confirming that core water revenues are sufficient to meet day-to-day water services operating expenditure. Finance costs, while significant, remain within serviceable levels, supported by positive free funds from operations and increasing cash reserves.

The Plan includes over $1.8 billion in capital investment, primarily for infrastructure renewals, upgrades, and demand growth. Projected revenues, specifically development contributions and capital subsidies, are allocated to fund a significant portion of Capex, reducing pressure on general rates and debt. Any borrowing required to fund investment is sustainable and supported by a decreasing net debt trajectory over the period, and strong forecast operating cash surpluses.

Operating and capital revenue projections are aligned with expected costs and investment needs. Year-on-year surpluses, healthy cash positions, and improving debt ratios confirm that water services will remain financially supported and sustainable.

No additional or extraordinary funding mechanisms are required to deliver the Plan. This positions the council to maintain services, reinvest in critical infrastructure, and respond to future demands within its planned funding envelope.

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

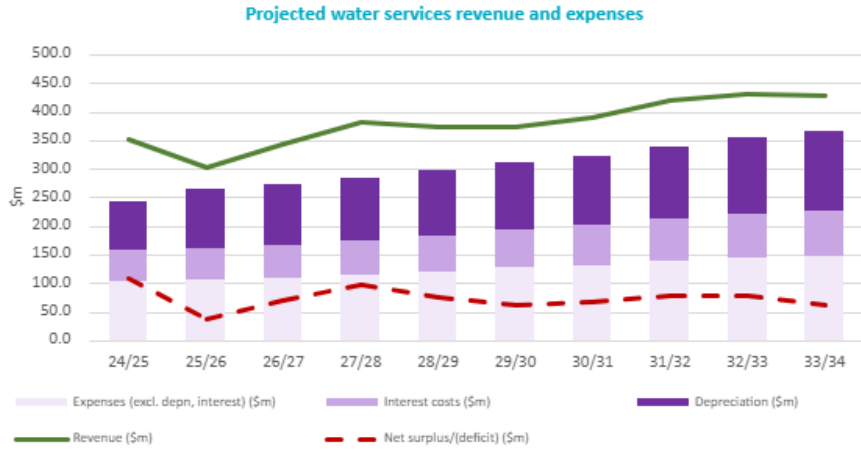


Table 8: Average projected charges for water services over FY2024/25 to FY2033/34

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	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Wastewater	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stormwater	422	443	461	485	496	513	526	547	563	572
Average charge per connection / rating unit	**422**	**441**	**461**	**485**	**496**	**513**	**526**	**547**	**563**	**572**
Increase in average charge	3.4%	5.0%	4.1%	5.2%	2.3%	3.4%	2.5%	4.0%	2.9%	1.6%
Water services charges as % of median household income	**0.3%**	**0.3%**	**0.3%**	**0.3%**	**0.3%**	**0.4%**	**0.4%**	**0.4%**	**0.4%**	**0.4%**

The median household income for homeowners in Auckland was provided by our Chief Economist Unit in June 2025. The following assumptions should be noted:

- Household income data was sourced from Stats NZ's Integrated Data Infrastructure at both local board and regional levels.
- 2023/24 household income figures are provisional estimates from Stats NZ.
- Projections to 2027/28 use the Labour Cost Index (LCI) forecasts from the RBNZ's May 2025 Monetary Policy Statement.
- Beyond 2027/28, long-run growth is based on the historical CAGR of the LCI from 2000 to 2025.
- The LCI reflects national labour cost trends, not regional income variations.
- The methodology assumes that relative median household incomes across local boards remain constant over time.

Table 9: Projected operating surpluses/(deficits) for water services

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	87,902	62,943	105,484	123,683	111,186	117,892	130,331	146,649	152,485	140,627
Operating revenue – combined water services	230,549	24,4148	255,236	273,930	284,344	297,793	309,540	326,241	339,651	349,165
Operating surplus ratio	**38.1%**	**25.8%**	**41.3%**	**45.2%**	**39.1%**	**39.6%**	**42.1%**	**45.0%**	**44.9%**	**40.3%**

Across the 10-year Plan period, the council is forecasting consistent operating surpluses, with no projected deficits in any year. Operating revenues steadily increase, outpacing expenditure growth and generating surpluses each year. These surpluses confirm the council's ability to fund ongoing service delivery, meet debt servicing obligations, and support capital investment.

Surpluses generated are primarily applied toward:

- Servicing debt, including interest obligations on existing and new borrowings
- Reinvesting into infrastructure via internally funded capital expenditure
- Building and maintaining cash reserves, which strengthen year-on-year to support future investment and increase resilience

The council's financial strategy deliberately moves towards ensuring depreciation is fully funded through operating revenues, enabling investment in asset renewals without creating undue reliance on borrowing. This supports the long-term sustainability of the stormwater network.

As there are no forecast operating deficits during the Plan period, there is no departure from financial prudence to justify. The consistent surpluses reflect a disciplined funding approach and ensure the council remains in a strong financial position to support water services delivery, both now and over the long term.

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

The Plan confirms that the proposed level of investment in water services infrastructure is sufficient and appropriate to meet future service demands, regulatory expectations, and growth pressures. It also demonstrates that this investment is financially supported through credible funding and financing mechanisms—meeting the requirements of the Investment Sufficiency test.

The capital programme allocates over $1.8 billion across the 10-year period for stormwater infrastructure, including:

- Renewals and replacements to maintain existing service levels.
- Upgrades to meet regulatory standards, including resilience and environmental outcomes.
- Network expansion to service population and development growth across the region.

Investment programmes are guided by asset management plans and comply with strategic asset renewal and service improvement priorities. The scale, timing and composition of investment are sufficient to achieve performance standards and regulatory obligations.

Capital investment is funded through a mix of:

- Capital grants and subsidies, primarily in early years.
- Development contributions, reflecting growth-aligned funding principles.
- Operating cash surpluses, which grow year-on-year.
- Sustainable borrowing; front-loaded but declining over time.

The financial strategy shows increasing cash reserves and a declining net debt profile, ensuring the capital programme remains deliverable within the council's financial capacity. All investment requirements are matched by projected revenues and access to prudent, sustainable financing.

Based on the scale of proposed expenditure, its alignment with service needs and regulatory requirements, and its full funding from credible revenue sources and financing tools, the Plan meets the Investment Sufficiency test. No material funding gaps, or programme risks are identified over the forecast period.

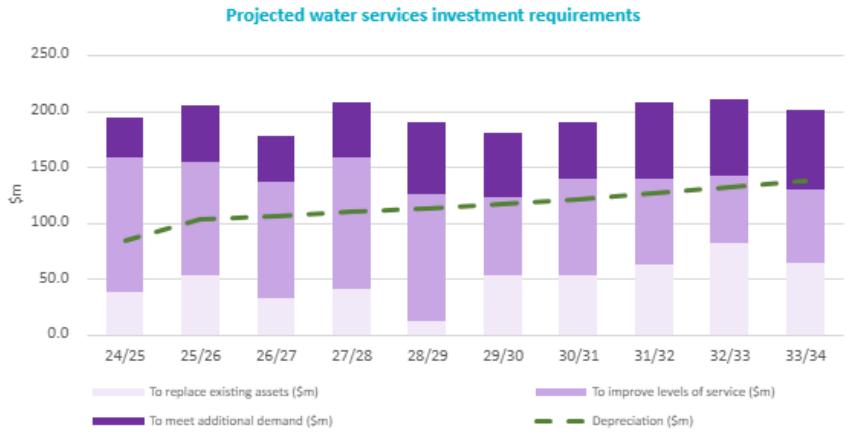


Table 10: Renewals requirements for water services

Asset sustainability ratio $000	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Capital expenditure on renewals – all water services assets	38,194	52,833	33,016	41,143	12,321	53,706	53,106	62,243	82,129	64,731
Depreciation – all water services assets	84,956	103,554	106,465	110,237	113,490	117,019	121,601	126,684	132,028	137,821
Asset sustainability ratio	**(55.0%)**	**(49.0%)**	**(69.0%)**	**(62.7%)**	**(89.1%)**	**(54.1%)**	**(56.3%)**	**(50.9%)**	**(37.8%)**	**(53.0%)**

How is renewal investment determined:

Renewal expenditure is consistent with the LTP 2024 and is based on known projects and asset renewal modelling, in accordance with The HWFR Renewal strategy. The renewal forecast assumes that the accumulated renewal deferrals will be resolved within five to 10 years. Age of stormwater infrastructure in the Auckland region – most of the assets have average useful lives over 120 years and estimated average remaining life between 50 and 120 years. The projected renewal expenditure during the ten-year planning period is lower than the depreciation over the same period. The key reasons for that are:

About 50% of the annual depreciation is collected for assets that are less than 40 years old and will not need replacement for a long period of time (Auckland is a fast-growing region)

The rate of depreciation (calculated as a straight line) is more conservative than the actual consumption of asset economic lives for various asset classes.

Table 11: Total water services investment required over 10 years

Asset investment ratio $m	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	193,538	204,218	177,521	207,266	190,117	180,775	189,974	206,951	209,716	200,523
Depreciation – all water services assets	84,956	103,554	106,465	110,237	113,490	117,019	121,601	126,684	132,028	137,821
Asset investment ratio	**127.8%**	**97.2&**	**66.7%**	**88.0%**	**67.5%**	**54.5%**	**56.2%**	**63.4%**	**58.8%**	**45.5%**

As discussed above, our capital investment reflects the stormwater investment priorities. The drivers are growth, improving water quality and ecosystems health, managing storm risks – mitigation of flooding and climate change effects - and renewing the stormwater systems to ensure resilience. These priorities are derived from the suite of Auckland Council strategic documents that include:

- the Auckland Plan,
- the Unitary Plan,
- the Long-Term Plan,
- the Infrastructure Strategy,
- the Water Strategy and
- the Climate Action Plan.

With constrained funding, prioritising investment with a risk-based approach is key; balancing climate adaptation, growth, and community needs while maintaining existing assets. A funding shortfall requires efficient spending to maximise value and affordability. Renewal costs often differ from depreciation, as the relatively young stormwater asset base does not degrade uniformly. Strategic, data-driven investment decisions, based on risk and criticality, are used to prioritise the capital programme.

Table 12: Average remaining useful life of network assets

Asset consumption ratio $b	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Book value of water infrastructure assets	7,421	7,762	8,096	8,420	8,740	9,072	9,362	9,643	9,932	10,200
Replacement value of water infrastructure assets	9,689	9,905	10,115	10,349	10,594	10,790	10,996	11,211	11,409	11,616
Asset consumption ratio	**76.6%**	**78.4%**	**80.0%**	**81.4%**	**82.5%**	**84.1%**	**85.1%**	**86.0%**	**87.1%**	**87.8%**

The average useful life of stormwater assets in the Auckland region is more than 120 years and the estimated average remaining life is between 50 and 120 years. The combination of high growth, which brings significant additions to the asset portfolio, and significant remaining lives of the built network means that the overall asset consumption ratio will continue to increase over the planning period.

Financial sustainability assessment - financing sufficiency

Assessment of financing sufficiency

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

The financial projections indicate that sufficient funding and financing can be secured to sustainably deliver the proposed water services investment programme over the next 10 years.

The council's total projected borrowings remain within the overall borrowing limits set by the council. The net debt to operating revenue ratio stays below the 500% threshold in every year from FY24/25 to FY33/34. Borrowing headroom ranges from $30 million to $207 million, confirming that the council is operating well within its debt capacity.

Stormwater borrowings are also within the council-determined limit of 500% net debt to operating revenue. The net debt to revenue ratio for stormwater declines from 487% to 441%, showing a strengthening financial position and increasing headroom over time.

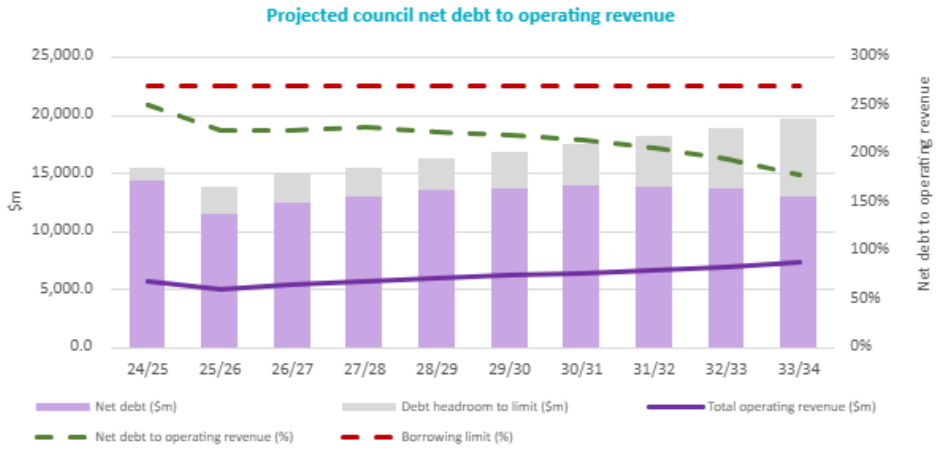
The council's improving Free Funds from Operations (FFO) to debt ratio, rising from 9.6% to 11.6%, demonstrates strong debt-servicing capacity. This trend supports the council's ability to secure required borrowings, as it reflects sound financial management and operational performance. The consistent operating surpluses and growing revenues further reinforce the council's overall creditworthiness and borrowing capability.

The Plan meets the 'financing sufficiency' test by:

- Maintaining surpluses that support capital investment and debt repayment;
- Ensuring debt levels remain within policy limits;
- Demonstrating adequate headroom to absorb future shocks or changes;
- Aligning with our financial strategy that prioritises sustainability, resilience, and affordability in water services delivery.

Collectively, these indicators confirm that the plan meets the statutory and prudential benchmarks for financing sufficiency.

Projected <u>council</u> borrowings against borrowing limits	Projected <u>water services</u> borrowings against borrowing limits
Projected council net debt to operating revenue	*Projected water services net debt to operating revenue.*



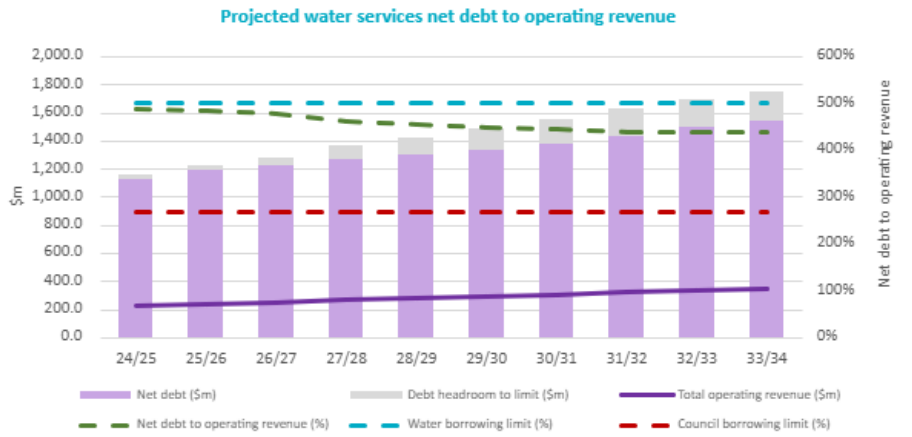


Table 13: Projected borrowings for water services

Projected net debt to operating revenue.

Net debt to operating revenue $000	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Net debt attributed to water services (gross debt less cash)	1,122,681	1,186,192	1,222,161	1,267,514	1,298,286	1,333,922	1,378,808	1,435,821	1,494,936	1,538,237
Operating revenue – combined water services	230,549	244,148	255,236	273,930	284,344	297,793	309,540	326,241	339,651	349,165
Net debt to operating revenue %	**487%**	**486%**	**479%**	**463%**	**457%**	**448%**	**445%**	**440%**	**440%**	**441%**

Net debt increases steadily from $1.12 billion in FY24/25 to $1.54 billion in FY33/34, driven by a consistent borrowing pattern over the 10-year period. Investment requirements are spread across the years and aligned with council's long-term infrastructure development and renewal programs. The borrowing profile support ongoing capital investment, rather than short-term or one-off projects, which is typical for stormwater infrastructure that requires sustained funding.

The net debt to operating revenue ratio starts at 487% in FY24/25 and gradually declines to 441% by FY33/34. This downward trend reflects growing operating revenues and controlled borrowing growth, which is a positive financial indicator.

Table 14: Borrowing headroom/(shortfall) for water services

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 ($000)	230,549	244,148	255,236	273,930	284,244	297,793	309,540	326,241	339,651	349,165
Debt to revenue limit for water services (%)	500%	500%	500%	500%	500%	500%	500%	500%	500%	500%
Maximum allowable net debt at borrowing limit	**1,152,745**	**1,220,740**	**1,276,180**	**1,369,650**	**1,421,720**	**1,488,965**	**1,547,700**	**1,631,205**	**1,698,255**	**1,745,825**
Projected net debt attributed to water services ($000)	1,122,681	1,186,192	1,222,161	1,267,514	1,298,286	1,333,922	1,378,808	1,435,821	1,494,936	1,538,237
Borrowing headroom/(shortfall) against limit ($000)	**30,064**	**34,548**	**54,019**	**102,136**	**123,434**	**155,043**	**168,892**	**195,384**	**203,319**	**207,588**

The council has set a net debt to operating revenue limit of 500% for the stormwater activity. Across all years from FY24/25 to FY33/34, the net debt remains within the 500% limit.

The borrowing headroom ranges from $30 million in FY24/25 to$207 million in FY33/34. This comfortable buffer is maintained throughout the period, and the council is not at risk of breaching its debt ceiling. There are no years with a borrowing shortfall given the current operating and capital investment programme.

Table 15: Free funds from operations

Free funds from operations ($000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projected net debt attributed to water services	1,122,681	1,186,192	1,222,161	1,267,514	1,298,286	1,333,922	1,378,808	1,435,821	1,494,936	1,538,237
Projected free funds from operations – water services	108,154	118,770	127,730	137,693	142,916	148,350	154,835	162,921	170,289	177,679
Free funds from operations to net debt ratio	**9.6%**	**10.0%**	**10.5%**	**10.9%**	**11.0%**	**11.1%**	**11.2%**	**11.3%**	**11.4%**	**11.6%**

The FFO to net debt ratio improves steadily from 9.6% in FY24/25 to 11.6% in FY33/34. This indicates generation of increasing levels of operating cash flow relative to debt, which is a positive trend in terms of financial sustainability. This upward trajectory demonstrates improving debt-servicing capacity over time.

The improving FFO-to-debt ratio is consistent with a prudent financial strategy for water services delivery, by maintaining strong cash flows to support infrastructure investment, ensuring debt remains affordable over the long term, and reducing reliance on future borrowing.

This approach supports long-term resilience, especially important for the stormwater activity where assets are capital-intensive and require ongoing renewal.

Part E: Projected financial statements for water services

Projected financial statements – for drinking water, wastewater, stormwater and combined water services

Projected funding impact statement

Projected funding impact statement - Stormwater 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	219,359	230,402	242,227	258,169	265,175	274,401	280,911	291,120	296,479	296,003
Targeted rates	7,363	9,128	11,314	14,032	17,406	21,594	26,794	33,249	41,264	51,215
Subsidies and grants for operating purposes	2,209	2,425	0	0	0	0	0	0	0	0
Local authorities fuel tax, fines, infringement fees and other	384	593	403	411	419	427	436	445	453	463
Fees and charges	1,234	1,600	1,292	1,318	1,344	1,371	1,399	1,427	1,455	1,484
Total sources of operating funding	230,549	244,148	255236	273,930	284,344	297,793	309,540	326,241	339,651	349,165
Applications of operating funding										
Payments to staff and suppliers	86,279	86,776	88,204	95,073	99,426	105,449	109,437	116,556	120,676	121,870
Finance costs	53,843	55,827	58,216	59,364	62,501	66,093	69,392	73,285	76,918	80,353
Internal charges and overheads applied	18,058	19,301	19,651	20,582	21,001	21,997	22,634	23,382	24,343	24,808
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	158,180	161,904	166,071	175,019	182,928	193,539	201,463	213,223	221,937	227,031
Surplus/(deficit) of operating funding	72,369	82,244	89,165	98,911	101,416	104,254	108,077	113,018	117,714	122,134
Source of capital funding										
Subsidies and grants for capital expenditure	26,656	26,083	20,956	34,689	24,490	5,773	0	0	0	0
Development and financial contributions	60,922	32,380	31,430	28,313	33,439	35,112	37,010	36,919	32,887	35,089
Increase/(decrease) in debt	33,591	63,511	35,970	45,354	30,771	35,635	44,888	57,013	59,114	43,301
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	121,169	121,974	88,356	108,356	88,700	76,520	81,898	93,932	92,001	78,390
Applications of capital funding										
Capital expenditure - to meet additional demand	34,559	49,887	41,686	49,374	64,247	57,745	51,393	67,154	67,436	71,241
Capital expenditure - to improve levels of services	120,785	101,498	102,818	116,749	113,549	69,324	85,474	77,553	60,151	64,552
Capital expenditure - to replace existing assets	38,194	52,833	33,016	41,143	12,321	53,706	53,106	62,243	82,129	64,731
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	193,538	204,218	177,520	207,266	190,117	180,775	189,775	206,950	209,716	200,524
Surplus/(deficit) of capital funding	(72,369)	**(82,244)**	**(89,164)**	**(98,910)**	**(101,417)**	**(104,255)**	**(108,075)**	**(113,018)**	**(117,715)**	**(122,134)**

Funding balance	**0**	**0**	**0**	**1**	**(1)**	**(1)**	**2**	**0**	**(1)**	**0**

Note 1. The Funding Impact Statement (FIS) has been prepared in accordance with the Long-Term Plan (LTP) 2024–2034, incorporating updates from the Annual Plan 2025/2026.

Table 17: Projected statement of comprehensive 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	230,549	244,148	255,236	273,930	284,344	297,793	309,540	326,241	339,651	349,165
Other revenue	121,169	58,463	88,356	108,356	88,700	76,520	81,898	93,932	92,001	78,390
Total revenue	**351,718**	**302,611**	**343,592**	**382,286**	**373,044**	**374,313**	**391,438**	**420,173**	**431,652**	**427,555**
Expenses										
Operating expenses	104,337	106,077	107,855	115,655	120,427	127,446	132,071	139,938	145,019	146,678
Finance costs	53,843	55,827	58,216	59,364	62,501	66,093	69,392	73,285	76,918	80,353
Overheads and support costs	18,058	19,301	19,651	20,582	21,001	21,997	22,634	23,382	24,343	24,808
Depreciation & amortisation	84,956	103,554	106,465	110,237	113,490	117,019	121,601	126,684	132,028	137,821
Total expenses	**261,194**	**284,759**	**292,187**	**305,838**	**317,419**	**332,555**	**345,698**	**363,289**	**378,308**	**389,660**
Net surplus/(deficit)	**90,524**	**17,852**	**51,405**	**76,448**	**55,625**	**41,758**	**45,740**	**56,884**	**53,344**	**37,895**
Revaluation of infrastructure assets (2)	366,808	341,357	333,773	323,838	319,951	332,110	290,299	280,864	289,290	268,172
Total comprehensive income	**457,332**	**359,209**	**385,179**	**400,285**	**375,577**	**373,868**	**336,039**	**337,748**	**342,634**	**306,066**
Cash surplus/(deficit) from operations (ex non-cash items)	**175,480**	**121,406**	**157,870**	**186,685**	**169,115**	**158,777**	**167,341**	**183,568**	**185,372**	**175,716**

Note 2. In the absence of a formal revaluation of infrastructure assets, inflation adjustments have been applied using the publicly available indices provided by Business and Economic Research Limited (BERL). These adjustments specifically relate to the asset category of water, sewerage, drainage, and waste services.

Table 18: 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	72,369	82,244	89,165	98,911	101,416	104,254	108,077	113,018	117,714	122,134
Net cashflows from operating activities	**72,369**	**82,244**	**89,165**	**98,911**	**101,416**	**104,254**	**108,077**	**113,018**	**117,714**	**122,134**
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(193,538)	(204,218)	(177,520)	(207,266)	(190,117)	(180,775)	(189,973)	(206,950)	(209,716)	(200,524)
Subsidies and grants for capital expenditure	26,656	26,083	20,956	34,689	24,490	5,773	0	0	0	0
Development and financial contributions	60,922	32,380	31,430	28,313	33,439	35,112	37,010	36,919	32,887	35,089
Net cashflows from investing activities	**(105,960)**	**(145,755)**	**(125,134)**	**(144,264)**	**(132,188)**	**(139,890)**	**(152,963)**	**(170,031)**	**(176,829)**	**(165,435)**
Cashflows from financing activities										
New borrowings (3)	33,591	63,511	35,970	45,354	30,771	35,635	44,888	57,013	59,144	43,301
Repayment of borrowings										
Net cashflows from financing activities	**33,591**	**63,511**	**35,970**	**45,354**	**30,771**	**35,635**	**44,888**	**57,013**	**59,144**	**43,301**
Net increase/(decrease) in cash and cash equivalents	0	0	1	1	(1)	(1)	2	0	(1)	0
Cash and cash equivalents at beginning of year	**0**	**0**	**0**	**1**	**2**	**1**	**0**	**2**	**2**	**1**
Cash and cash equivalents at end of year	**0**	**0**	**1**	**2**	**1**	**0**	**2**	**2**	**1**	**1**

Note 3. The financial statements present borrowings on a net debt basis. Due to system limitations, the statements do not separately disclose new borrowings or repayments of existing borrowings. This approach is consistent with prior reporting and reflects the aggregate position of stormwater debt.

Table 19: 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	0	0	1	2	1	0	2	2	1	1
Other current assets	0	0	0	0	0	0	0	0	0	0
Infrastructure assets = stormwater assets	7,420,808	7,762,165	8,095,938	8,419,776	8,739,727	9,071,837	9,362,136	9,643,000	9,932,290	10,200,462
Other non-current assets	0	0	0	0	0	0	0	0	0	0
Total assets	**7,420,808**	**7,762,165**	**8,095,939**	**8,419,778**	**8,739,728**	**9,071,837**	**9,362,138**	**9,643,002**	**9,932,291**	**10,200,463**
Liabilities										
Borrowings – current portion (4) (5)	224,536	237,238	244,432	253,503	259,657	266,784	275,762	287,165	298,987	307,648
Other current liabilities	0	0	0	0	0	0	0	0	0	0
Borrowings – non-current portion (4)	898,145	948,954	977,730	1,014,013	1,038,630	1,067,138	1,103,048	1,148,658	1,195,950	1,230,590
Other non-current liabilities	0	0	0	0	0	0	0	0	0	0
Total liabilities	**1,122,681**	**1,186,192**	**1,222,162**	**1,267,516**	**1,298,287**	**1,333,922**	**1,378,810**	**1,435,823**	**1,494,937**	**1,538,238**
Net assets	**6,298,127**	**6,575,973**	**6,873,777**	**7,152,262**	**7,441,441**	**7,737,915**	**7,983,328**	**8,207,179**	**8,437,354**	**8,662,225**
Equity										
Revaluation reserves	2,923,808	3,265,165	3,598,938	3,922,776	4,242,727	4,574,837	4,865,136	5,146,000	5,435,290	5,703,462
Other reserves	3,374,319	3,310,808	3,274,839	3,229,486	3,198,714	3,163,078	3,118,192	3,061,179	3,002,064	2,958,763
Total equity	**6,298,127**	**6,575,973**	**6,873,777**	**7,152,262**	**7,441,441**	**7,737,915**	**7,983,328**	**8,207,179**	**8,437,354**	**8,662,225**

Note 4. Borrowings have been classified based on an assumed split of 20% current and 80% non-current liabilities. This classification reflects the average term of Council debt, which is approximately five years. The assumption is applied consistently across reporting periods in the absence of detailed maturity profiles.

Note 5. The total debt attributed to the stormwater activity has been estimated based on prior analysis conducted by the council's Treasury team as part of preparatory work for Water Reform. This analysis has since been updated to reflect the latest available data on asset valuations, existing debt levels, and revenue forecasts.

Stormwater Services Delivery Plan: additional information

Additional disclosures to support Plan

Significant capital projects

Table 19: Significant capital projects – drinking water

Significant capital projects – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand	N/A									
Total investment to meet additional demand										
Projects to improve levels of services										
Total investment to meet improve levels of services										
Projects to replace existing assets										
Total investment to replace existing assets										
Total investment in drinking water assets										

Significant capital projects – wastewater

Significant capital projects – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand	N/A									
Total investment to meet additional demand										
Projects to improve levels of services										
Total investment to meet improve levels of services										
Projects to replace existing assets										
Total investment to replace existing assets										

Significant capital projects – stormwater

Significant capital projects – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Projects to meet additional demand										
Maybury Reserve Integrated Stormwater		5,000				500	500	6,000	6,000	6,000
Te Atatu Peninsula Town Centre Stormwater Reticulation [2603]			150	150	1,000	1,500	6,000	7,000	7,000	7,000
Boundary Reserve West Wetland and Daylighting,	645	2,000	4,000							
Catchment and Asset Planning (Growth)	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000	13,000
Projects to improve levels of services										
Central Interceptor Extension - Point Erin Tunnel	10,000	20,000	33,000	15,000	22,000	12,800	19,000			
Waterview Catchment Separation		6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Pt Chevalier Stormwater Separation - stage 1-7		1,500	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Lower Khyber Separation [2429]	2,000	10,500	1,500							
MS4W: Clover Drive blue green network (Swanson/Waimoko streams)	500	3500	17600	40000	25000	4000				
MS4W Te Ararata, Blue-Green Network	4,800	17,800								
MS4W: Wairau Creek blue-green network (stage 1)	13,00	4,500	19,800	16,700	14,500	1,000				
MS4W: Harania Creek, Blue-Green Network	4,000	17,600	100							
Projects to replace existing assets										
East Tamaki Dam Upgrade [2500]	300	1,000	7,000	6,000						
Waiatarua Stormwater Tunnel Rehabilitation (Remuera Road)								1,000	10,000	10,000
Great North Road & Cartwright Road Pipe Renewal Stage 1 [2619	600	7,200								

Note: The Table above only lists a sample of key projects in each Driver Category. Cost forecasts beyond year 27/28 are indicative

Risks and assumptions

Disclosure of risks and material assumptions for water services delivery

Parameters	Drinking supply	Wastewater	Stormwater
Key Risks • Interest rate fluctuations • Continued Legislative Change • Skills availability • Unplanned growth • Climate change accuracy	N/A	N/A	Brownfield intensification Uncertainty of where / when based on Resource Consents or Building Consents Storm Intensification beyond what is assumed in the Climate Action plan
Significant assumptions • Community Expectations • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Growth predictions • Climate change impacts	**N/A**	**N/A**	Regional Growth Plans Asset Management Plan assumptions Degree of Climate Change Cost of labour and materials Availability of skilled contractor resources when needed

END