

Quarterly monitoring report - water services delivery plan

In-House Business Unit

Dunedin City Council

30 April 2026, 1 January – 31 March 2026

Council plans that are retaining water service delivery (In-house Business Unit)

Part A: Progress updates

Quarterly reporting period: [e.g. 1 January to 31 March 2026]

Activity / milestone / deliverable	Expected completion date	On track to meet timeframe? (Yes/No)	Issues, risks and mitigations (if any)
Complete Operating Model review	Completed Q4 2025	Yes	Operating model review has been completed.
Operating efficiency improvements	Completed Q4 2025	Yes	Operating cost reductions through optimising processes and service delivery. Areas of interest this period are fuel conservation, chemical reductions, design scoping.
Fiscal opportunities review	Completed Q4 2025	Yes	As part of the Annual Plan process, a review of opportunities for further operational cost savings was completed, including potential changes to services such as the processing of oil and grease at treatment plants and servicing of stock truck effluent tanks.
Service Level Objectives/Agreements development	Q3 2026	Yes	Council wide assessment being undertaken augmented by collating agreement examples and assessing requirements.
Changes to existing contracts and procurement processes	Completed Q4 2025	Yes	Review of the requirements of the Local Government (Water Services) Act 2025 resulted in addition of further clauses in new 3 Waters contracts relating to structural change, information requests and regulatory assistance, and accessing land. Review also considered existing contracts and requirement for contractors and suppliers to meet all legislative requirements.

Update to DCC's Significance and Engagement Policy (relating to significant contracts and strategic water service assets)	Completed – 7 October 2025 (adoption and approval by Council and updated on public website)	Yes	Action completed – minimised risk in business-as-usual contractual matters.
Changes to financial systems	Q4 2026	Yes	Underway.
Upgrade asset management system	Q3 2027	Yes	Phase 1 initiated. In progress data cleansing and mapping, system build and design documentation.
Asset risk and regulatory compliance	Q3 2027	Yes	Enhanced asset risk monitoring, regulatory compliance, and forward planning are being progressed through updates to key strategies, plans, and assurance activities. Recruitment is under way to increase network compliance resource capacity.
Site visits from Christchurch City Council and initial sharing of documents	Completed Q1 2026	Yes	DCC and CCC continuing to assess components of shared services and associated measures of success.

Expected activity in next quarter

Milestone / deliverable	Expected activity
Operating model implementation	Confirm the preferred operating model and approach to implementation, including any required changes.
Review competency and capacity	A review will be undertaken to identify any capability or capacity gaps and determine how they will be addressed.
Confirm annual plan budgets	We will confirm the Annual Plan budgets, which will be subject to public consultation and Council approval.

Ongoing optimisation	Ongoing optimisation of processes, operations, and maintenance will continue.
Service Level Objectives/Agreements development	In-house service level agreements are being developed, informed in consultation with other councils delivering water services through in-house business units, with a focus on clarifying connections between 3W and other departments.
3W Committee formation	Discussion underway with Mayor and portfolio lead.
Further review of procurement processes	Further work considering indicators used to monitor and assess performance under significant contracts (section 24(2) of the Local Government (Water Services) Act 2025).
Consideration of further updates to DCC's Significance and Engagement Policy	Further consideration of other potential impacts on DCC's Significance and Engagement Policy as a result of the Local Government (Water Services) Act 2025 and reflecting DCC's role as a water service provider e.g. joint water service provider arrangements, changes to levels of service, decisions regarding land and water, and amendments to the Water Services Strategy.
Changes to financial systems	Further work on financial system changes will continue next quarter.
Upgrade asset management system	Continued progress on data cleansing and mapping, asset management information system build, system design documentation. Begin data imports and integration solutions (designs and builds).
Asset risk and regulatory compliance	Ongoing work will continue next quarter to strengthen asset risk monitoring and forward planning. This will include targeted focus on identifying and addressing regulatory non-compliance.
Sharing reporting templates	DCC creating reporting templates that are to be shared with CCC.
Combined procurement	Exploring options in this area.

Part B: Additional monitoring information – items noted in letters of acceptance

Items noted in letters of acceptance	Progress update
The delivery of projects required to achieve regulatory compliance	Some of these projects have been completed, others are ongoing or yet to commence (WSDP, Table 2, pg36). Projects/actions that are complete or near complete include: - Distribution Monitoring – Bacterial Performance – DWQAR D3 (WSDP, Table 2, Row 7) – improvement actions complete. - Backflow Protection Performance – DWQAR D3 (WSDP, Table 2, Row 9) - position description for Network Compliance Officer role developed to implement a backflow programme improvement plan. - Additional DWQAR non-compliances (not identified in Table 2) - Sampling stations improvement actions – initiated. Further actions/projects required to achieve regulatory compliance are being achieved through BAU, incorporated in other projects, or are being planned.