Quarterly monitoring report - water services delivery plan

In-House Business Unit

Dunedin City Council

[29 October 2026, 1 July – 30 September 2026]

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

Part A: Progress updates

Guidance on completing this table

The purpose of this section is to:

- *Identify each of the key activities, deliverables and milestones involved in implementing the arrangements in an accepted water services delivery plan;*
- *Identify the expected date for completing each of the identified activities, deliverable and milestone*
- *State whether the activity, deliverable and milestone is on track or off track, and if off track provide commentary for why.*
- *Describe any significant issues and risks associated with achieving each activity, deliverable and milestones – and the mitigations in place to overcome these issues and risks*
- *Identify activity expected in the next quarter towards completion of milestones or deliverables*

Some examples of activities, deliverables and milestones that might be included

- *Complete any required service level agreement and operational handover from council*
- *Financial and treasury arrangements finalised (including LGFA access if amendments are required)*
- *Address financial separation / ringfencing requirements*

Note that even if your implementation plan did not cover these activities, any progress made in the last quarter should be reported here.

Quarterly reporting period: [e.g. 1 July to 30 September 2026]

Activity / milestone / deliverable	Expected completion date	On track to meet timeframe? (Yes/No)	Comments including issues, risks and mitigations (if any)
Service Level Objectives/Agreement development	Q4 2026	Yes	Working draft of SLA produced, currently under review internally.
Changes to financial systems	Q4 2026	Yes	This is in progress with the implementation of new business unit codes, purchase orders, bank accounts and the creation of a separate general ledger.
Upgrade asset management system	Q3 2027	Yes	Initial EAM software deployment.
Asset risk and regulatory compliance	Q3 2027	Yes	Enhanced asset risk monitoring, regulatory compliance and forward planning is being progressed through updates to key strategies, plans, and assurance activities.
Operating model implementation		Yes	This is being implemented through the 3 Waters Team.
Ongoing optimisation	Ongoing	Yes	Ongoing optimisation of processes, operations and maintenance will continue. The comparison of costs across year has been initiated. Report on current optimisations being compiled.
3 Waters Committee formation	Q1 2027	Yes	Consideration of governance arrangements continues.
Engagement with Christchurch City Council		Yes	Targeted, outcome-focused engagement with Christchurch City Council continues.

Expected activity in next quarter

Milestone / deliverable	Expected activity
Operating model implementation	3 Waters Team currently refining model for implementation in Q3/Q4.
Service Level Objectives/Agreements development	In-house service level agreement being developed, informed in consultation with other councils delivering water services through in-house business units, with a focus on clarifying connections between 3 Waters and other departments. Agreement currently under review.
Review of competency and capacity	A review will be undertaken to identify any capability or capacity gaps and determine how they will be addressed.
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 eg joint water service provider arrangements, changes to levels of service, and water services decisions has been actioned by staff but is subject to review processes.
Changes to financial systems	Further work, implementation and review of financial system will continue next quarter.
Upgrade asset management system	Staggered deployment of EAM software has begun.
Asset risk and regulatory compliance	Ongoing work will continue next quarter to strengthen asset risk monitoring and forward planning. This will include focus on identifying and addressing regulatory non-compliance and looking at the 9-year plan.

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

Guidance on completing this table
The purpose of this section is to: • *Identify each of the items noted in the letter of acceptance for a water services delivery plan – where the Secretary indicated the Department would be monitoring these items;* • *Describe progress with addressing the item(s) raised – including any significant issues and risks*

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: - Backflow Protection Performance – DWQAR D3 (WSDP, Table 2, Row 9) - initiated development of backflow programme improvement plan. - Additional DWQAR non-compliances (not identified in Table 2) - Sampling stations improvement actions – initiated. - Bylaws regarding tradewaste will be next to go to Council with public consultation already completed. Further actions/projects required to achieve regulatory compliance are being achieved through business as usual activity, incorporated in other projects or are being planned.