



Drinking water



Wastewater



Stormwater

WATER SERVICES DELIVERY PLAN

Dunedin City Council



DUNEDIN | kaunihera
CITY COUNCIL | a-rohe o
Ōtepoti

Submitted 25 August 2025

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Note: This plan covers the period 1 July 2024 to 30 June 2034 as required by the Local Government (Water Services Preliminary Arrangements) Act 2024

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

Financially sustainable water services provision

Dunedin City Council (DCC) will ensure that drinking water, wastewater, and stormwater services (water services) will be delivered in a financially sustainable manner, by 30 June 2028 at the latest.

This Water Services Delivery Plan (WSDP) demonstrates, in Section D, that the water services delivery model meets the Financially Sustainable delivery assessment. Specifically, this WSDP demonstrates:

- Water services revenues are sufficient to cover the costs of water services delivery. The DCC recognises that while rates need to be at an affordable level, it needs to balance this with the need for more infrastructure and increasing costs of delivering core services. The proposed increases in rates revenue for water services provides a phased approach to ensuring that operating costs are fully funded by operating revenue by the 2027/28 year onwards. The cashflow from operations is sufficient to meet investment requirements and cover the cost of finance.
- Investment in water services is sufficient to meet levels of service, regulatory requirements and provide for growth. The proposed level of investment takes a long-term strategic approach to addressing the backlog of renewals work. It includes a significant capital investment which aligns to the DCC Infrastructure Strategy 2025-2055. It supports a programme of work that addresses asset risk management and a strong commitment to future-proofing water services. To manage risk, renewals are prioritised and critical asset condition is closely monitored. The asset investment ratio increases from 3.9% to 78.6% throughout the WSDP.
- Funding and financing arrangements are sufficient to meet the required investment needed. Projected borrowings are within all borrowing limits and maintain sufficient headroom for unforeseen events. DCC has arrangements in place with Council owned company Dunedin City Treasury Limited (DCTL), to provide all borrowing arrangements, including for water services.

To ensure financial sustainable water services provision by 30 June 2028, DCC has committed to the following.

- Improvements to ensure ring-fencing, financial reporting requirements and economic regulation is met. This includes a separate financial ledger, a review of internal charging and separate borrowing arrangements for water services.
- Water services rate increases of 15% per annum until the 2027/28 year, providing a balanced budget from the 2027/28 year onwards, ensuring depreciation is fully funded by operating revenue.
- Development of a debt repayment policy.
- Delivery of an ambitious capital programme supported by strong planning and strategic partnerships.
- Enhanced monitoring of asset risk, forward planning to ensure contractor availability, continuous improvement of asset information and a continued focus on efficiency, productivity and resilience.

Proposed model to deliver financially sustainable water services

DCC has adopted the in-house delivery of three waters services as its water services delivery model (WSDM) at its Council meeting dated 26 May 2025. This decision is reflected in DCC's 9 Year Plan 2025-34. Under this model, Council remains committed to delivering high-quality services that meet the needs and expectations of Dunedin's ratepayers.

Some of the benefits of the in-house option include:

- Aligns with the majority of public submissions on the WSDM (67%).
- Retains local control and accountability.
- Strong integration with other DCC functions (e.g., flood management and urban planning) which supports operational efficiencies and aligns with DCC's broader strategies and city-wide priorities.
- Financial modelling indicates the DCC Group would take on less debt under the in-house option (as compared to the CCO option).
- DCC can deliver water while remaining within Council's debt-to-revenue limit of 250% and the LGFA net debt limit of 280%.
- Builds on DCC's successful delivery of water services.

The 3 Waters Group will continue to operate under Council's existing plans, strategies, and policies — ensuring services are delivered consistently and efficiently, alongside other DCC functions.

Governance for the Water Services Business Unit will be through the existing Council governance structure, however, some changes are expected to be required to meet the new requirements of the Local Government (Water Services) Act and other reform. Work on reviewing and defining governance changes is identified in the Implementation Plan.

As at the date of submitting this WSDP, DCC is still collaborating with Christchurch City Council (CCC) to investigate the potential for any shared services arrangements. The purpose of the collaboration is to seek out and implement opportunities that enhance productivity, efficiency, cost-effectiveness of our operations and resilience, particularly staff resilience. Both councils are currently completing feasibility assessments of prioritised shared service opportunities. A broad range of opportunities have been assessed across the spectrum of asset lifecycle themes, activities and associated supporting services. Several promising areas have been identified for further detailed assessment. It is not intended that any shared service arrangement with CCC would affect DCC's underlying WSDM. The Memorandum of Understanding entered between DCC and CCC includes consideration on how shared services could potentially be broadened to include other territorial authorities.

By maintaining water services in-house, DCC will continue to provide high quality water services to Dunedin City while ensuring there is sufficient capacity to increase investment in infrastructure and meet regulatory requirements.

Water services will be financially ring-fenced according to the legislative requirements including time frames. DCC's current finance system is capable of capturing and reporting on all aspects of water services financials. Planning is underway regarding what processes will be put in place to ensure compliance with the ringfencing requirements. This includes recruitment of additional resource, reviewing internal charges and consideration of appropriate cost accounting methodology where other council services are utilised. The DCC will ensure the appropriate oversight of water service priorities, investment programme and compliance with current and future water regulations. Increased resource, including accounting staff, has been built into the projected financial statement which is represented in the modelling presented in Part E of this WSDP. The additional resource is included to assist with the ringfencing requirements.

The DCC's current charging methodology is to be retained and this is described in Part C of this WSDP in further detail. The majority of revenue will come from council targeted rates as well as contributions from fees and charges and development contributions. As part of the Implementation Plan a review of fees and charges is proposed.

Implementation plan

Implementing the proposed service delivery model

Dunedin has chosen an in-house model for delivering its 3 Waters services, reflecting a commitment to local expertise and strategic control. To meet legislative requirements and ensure long-term financial sustainability, enhancements to service delivery mechanisms will be introduced ahead of 30 June 2028. These changes will strengthen the city's ability to deliver high-quality, resilient water services into the future.

DCC proposes a three-stage implementation of our proposed water service delivery model consisting of:

- **Transformation** – confirmation of the operating model, alignment of water services delivery and its interactions with other parts of Council.
- **Transition** – completing actions required to meet all legal requirements and associated changes (e.g. Commerce Commission Information Disclosure requirements).
- **Future State** – operating as a fully compliant and financially sustainable water services entity from 30 June 2028.

Key milestones include:

- Enactment of the Local Government (Water Services) Bill – expected to be August 2025. A number of tasks must be completed within a set timeframe of enactment of the Bill (e.g. Stormwater Network Risk Management Plan).
- Mid 2026 – information disclosure requirements take effect.
- 30 June 2027 - water service provider must prepare and adopt its first water services strategy.
- 30 June 2028 – date at which water services delivery must be financially sustainable.

DCC commits to giving effect to the implementation plan and WSDM once this WSDP is accepted.

Transformation	3 September 2025 – 31 August 2026 Confirmation of the operating model, alignment of water services delivery and its interactions with other parts of Council	• Confirming Dunedin’s 3 waters operating model through identification of changes required to meet all legal requirements and associated changes to give effect to achieving a fully compliant and financially sustainable water services entity from 30 June 2028. The operating model will prioritise regulatory compliance and informed investment decision-making across the 3 Waters Group. It will also set clear objectives and expectations for both frontline teams and leadership, supporting consistent and accountable service delivery. • Confirmation of the competencies and capacity required to match the operating model and ensure there is sufficient resilience in the right areas of the business to meet all legal requirements and associated changes. • Commence an operating cost reduction initiative to make Dunedin’s water services more efficient and affordable for the long term. This will help reduce unnecessary spending, improve performance, and ensure resources are used wisely across water supply, wastewater, and stormwater services. We will track key metrics and compare our performance with other councils to achieve continuous improvement while maintaining high service standards and meeting environmental and regulatory expectations. • A review of internal charging to ensure ringfencing requirements are met, including the development of Service Level Objectives (SLOs) which may lead to Relationship or Service Level Agreements (RAs/SLAs) or similar being required. These may be necessary between the Executive Leadership Team and the following other Council departments as a minimum: – Building Services – Governance – Business Information Systems – Health and Safety – City Development – Legal – Civil Defence – People & Capability – Communications and Marketing – Procurement – Corporate Policy – Property Services – Customer Services – Resource Consents – Finance – Transport – Fleet Operations • Defining the role and function of governance and committees in relation to in-house water services delivery, including approval processes and delegations.
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		• Changes to existing contracts and procurement processes. • Update of Council's Significance and Engagement Policy. • Implementation of changes to financial systems, including: – A separate financial ledger, including Statement of Financial Position will be established for water services to ensure ringfencing requirements are met. – Commerce Commission Information Disclosure requirements from the 2026/27 Financial Year. – Preparing for standalone financial statements required by legislation. – Existing and future DCC borrowing with DCTL will be separated into water services and non-water services debt. This will ensure separate debt servicing charges. – DCTL will also separate, in their 'GTreasury' system, DCC borrowing between water services and non-water services. • Development of a debt repayment policy incorporating water services debt. • Water services rate increases of 15% per annum for water services until the 2027/28 year. • Upgrades to the 3 Waters Asset Management system, including data cleansing and the conversion of existing asset data to new asset data standards. This will ensure robust data supports investment decision-making. • Enhanced monitoring of asset risk, forward planning to ensure contractor availability, continuous improvement of asset information and a continued focus on efficiency, productivity and resilience. • Continued engagement with Christchurch City Council to confirm the extent of any shared services arrangement and commence implementation. Collaboration will focus on opportunities to enhance productivity, efficiency, cost-effectiveness and resilience of our operations.
Transition	1 July 2026 – 30 June 2028 Completing actions required to meet all legal requirements and associated changes (e.g. Commerce Commission Information Disclosure requirements)	• Delivery of Commerce Commission Information Disclosure requirements. • Producing and publishing standalone financial statements annually. • Monitoring and adjusting SLOs and any inter-department agreements where required. • Monitoring and adjusting reporting systems where required. • Completion of those tasks required to meet legislative requirements, including development of: – Stormwater Network Risk Management Plan, identifying critical infrastructure, hazards, adverse impacts, risks, overland flowpaths and watercourses. – Trade Waste Discharge Plan, detailing the approach to be taken to regulate trade waste and discharge of trade waste.

		– Water Services Strategy (by 30 June 2027), detailing the water services activities to be carried out in terms of service delivery, environmental standards, infrastructure maintenance and economic regulation compliance. • Water services rate increases of 15% per annum for water services until the 2027/28 year. • A balanced budget from the 2027/28 year onwards, ensuring depreciation is fully funded. • A review of fees and charges to ensure these are appropriate and costs are adequately being recovered. • Review of bylaws and implementation of any changes. • Completion of upgrades to the 3 Waters Asset Management system and implementation of asset data standards. • Continue with enhanced monitoring of asset risk, forward planning to ensure contractor availability, continuous improvement of asset information and the focus on efficiency, productivity and resilience. • Continue with the operating cost reduction initiative to further reduce unnecessary spending, improve performance, and ensure resources are used wisely across water supply, wastewater, and stormwater services. • Completion of drinking water and environmental regulatory compliance improvement actions. • Completion of any other tasks required to meet all legal requirements and associated changes. • Complete implementation of any shared services arrangements with Christchurch City Council.
Future State	30 June 2028 – Operating as a fully compliant and financially sustainable water services entity from 30 June 2028.	• Operating a WSDM that is compliant with the legal requirements and associated changes.

Consultation and engagement

Consultation and engagement undertaken

As part of DCC's decision-making on the WSDM, DCC consulted with its community on its preferred/proposed in-house option and an alternative CCO option (asset owning with DCC as sole shareholder) in accordance with the process prescribed by the Local Government (Water Services Preliminary Arrangements) Act 2024.

A consultation document was considered and approved at the DCC meeting dated 26 March 2025. Consultation on the WSDM ran in parallel with Dunedin's 9 Year Plan 2025-34 consultation and opened at 9am on 31 March 2025 and closed at 12 noon on 30 April 2025. Hearings were held in the week commencing 5 May 2025.

Staff prepared a summary of submissions received on the WSDM including key engagement methods as attached at Appendix A. This summary was included in the Council Report dated 26 May 2025 (Local Water Done Well – Decision on Water Services Delivery Model). In brief there were 467 submissions that selected a WSDM. The majority of submitters favoured the In-House Option (67%) as compared to the CCO Option (33%).

The main reasons submitters supported the in-house model for Dunedin's water services delivery was a strong preference for local control, public accountability, and financial efficiency. Many felt that keeping services within Council would ensure transparency, avoid future privatisation, and reduce costs associated with external governance structures. Submitters also value the expertise of existing staff and believed the in-house model would better align with community needs and priorities.

There was also specific consultation with mana whenua, as also discussed in the 26 May 2025 Report.

Assurance and adoption of the Plan

The WSDP has been developed by suitably qualified staff and has been subject to an internal assurance process that included review by members of Council's Executive Leadership Team.

Staff have assigned one of the following confidence grades to the information included in each sub-section of this plan:

- [5] – highly reliable / audited
- [4] – reliable / verified
- [3] – less reliable
- [2] – uncertain
- [1] – very uncertain

All sub-sections of the plan scored [4] or [5].

Some information included in this Plan has been the subject of and/or informed by the following independent review and assurance processes:

- Independent audit of Dunedin City Council 9 Year Plan 2025-34 (Audit New Zealand, 30 June 2025)
- Independent audit of Dunedin City Council Annual Reports (Audit New Zealand)
- Independent audit of resource consent compliance (Otago Regional Council)
- Independent audit of drinking water regulatory compliance (independent drinking water advisory company contracted as external auditor by DCC)

Council resolution to adopt the Plan

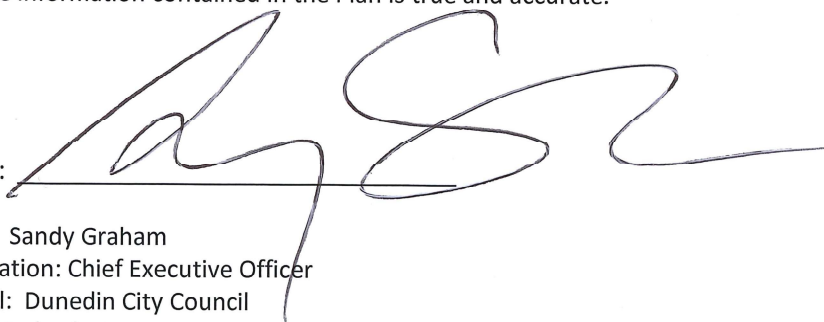
The Dunedin City Council adopted this Plan by resolution at its meeting dated 12 August 2025 (resolution number CNL/2025/207). A copy of the resolution is attached as Appendix B.

Certification of the Chief Executive of Dunedin City Council

I certify that this Water Services Delivery Plan:

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

Signed:



Name: Sandy Graham
Designation: Chief Executive Officer
Council: Dunedin City Council
Date: 25/08/2025

Part B Network performance

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

Serviced population

Dunedin City Council currently services approximately 86% of the area's population for water and 83% for wastewater. The tables below give a more detailed view of the serviced populations, including the estimated future population that will require water services. The growth rate is 0.7% per year until 2034. From 2034 onwards the population rate will return to a medium growth scenario rate of 0.1%- 0.2% per year as per Dunedin's 9 Year Plan 2025-34 Significant Forecasting Assumptions.

Projected population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	2044/45	2054/55
Dunedin population	135,700	136,740	137,780	138,820	139,860	140,900	141,940	142,980	144,020	146,100	148,100	149,500

Projected serviced population	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	2044/45	2054/55
Serviced population												
Water Supply	116,058	116,947	117,836	118,725	119,614	120,503	121,392	122,281	123,170	124,949	126,659	127,856
Wastewater	113,244	114,112	114,980	115,848	116,716	117,584	118,452	119,320	120,188	121,924	123,593	124,761
Stormwater	113,058	113,924	114,790	115,656	116,522	117,388	118,254	119,120	119,986	121,719	123,385	124,551
Total residential connections*												
Water Supply	46,213	46,560	46,909	47,261	47,615	47,972	48,332	48,694	49,060	49,428	50,249	51,008
Wastewater	45,362	45,702	46,045	46,390	46,738	47,088	47,442	47,797	48,156	48,517	49,324	50,069
Stormwater	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**
Total non-residential connections*												
Water Supply	3,404	3,430	3,456	3,482	3,508	3,534	3,560	3,587	3,614	3,641	3,702	3,758
Wastewater	3,032	3,054	3,077	3,100	3,124	3,147	3,171	3,194	3,218	3,242	3,296	3,346
Stormwater	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**	Not recorded**

* As at the end of each named financial year.

** Stormwater connections is not split between residential and non-residential connections. The total number of rated properties for stormwater at 30 June 2024: 49,488 (from Dunedin City Council Annual Report 2023-24. When applying the same method to future projections the total number of rated properties for stormwater is:

Total rated properties	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34	2044/45	2054/55
Stormwater	50,398	50,704	51,012	51,322	51,456	51,590	51,724	51,858	51,993	52,128	54,214	55,033

Serviced areas

Serviced areas (by reticulated network)	Water supply # schemes	Wastewater #schemes	Stormwater # catchments
Residential areas (If more than one identify separately)	3 schemes as at 30 June 2024: - Dunedin 47,554 total connections - Waikouaiti 1,105 total connections - Outram 434 total connections*	5 schemes: - Metropolitan - Middlemarch - Warrington - Seacliff - Waikouaiti 48,033 total connections as at 30 June 2024.	49,488 properties rated for stormwater as at 30 June 2024. This includes properties in areas serviced by harbour stormwater catchments, and outlying catchment areas such as Brighton, Waldronville, Green Island, Middlemarch, Mosgiel, Wingatui, Waikouaiti, Karitane, Warrington, and Tomahawk.
Non-residential areas (If more than one identify separately)	1 scheme as at 30 June 2024: - West Taieri 155 total connections - West Taieri water supply is a restricted water supply servicing primarily a rural area but also an airport and small residential area.	N/A	N/A
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

* Total connections, including those in rural zoned areas.

The table below details those residential areas where only some water services are provided.

Residential areas partially serviced by DCC reticulated services				
Community Board Area	Community	Characteristics	No. of sites (included in connection counts above)	Description of services
Waikouaiti Coast	Seacliff	Small community – zoned Township and Settlement	39	Receive DCC reticulated water from Dunedin City water supply and wastewater services from Seacliff, Warrington and Dunedin Metropolitan wastewater schemes (no stormwater services)
Otago Peninsula	Portobello	Medium sized urban community – zoned primarily Township and Settlement, with some resident, Commercial, Recreation and School	50	
	Challis Point	Small Coastal community – zoned Township and Settlement	20	
Waikouaiti Coast	Warrington	Small coastal community settlement – zoned Township and Settlement (small area only)	20	Receive DCC reticulated water only, from Waikouaiti, Dunedin City water supplies (no wastewater or stormwater services)
	Greenlaw Street, Waikouaiti	Zoned Low Density – Residential	11	
	Hawksbury Village	Small community supply – zoned Township and Settlement - DCC provide connection to body corporate / village delivers as a private supply	70	
	Evansdale	Small community supply – zoned Township and Settlement	15	
	Waitati and Doctors Point	Medium sized settlement - zoned Township and Settlement and Large Lot Residential	290	
Mosgiel-Taieri	Berwick	Very Small Community – zoned Township & Settlement (Rural zoned surrounds)	10	Receive DCC reticulated water only, from West Taieri water supply (no wastewater or stormwater services)
	Momona – Dunedin Airport	Dunedin Airport – major facilities	35	
	West Taieri	Zoned West Taieri Rural	110	
	Outram	Small community with Rural surrounds – zoned Township and Settlement and Large Lot Residential	340	Receive DCC reticulated water from Outram Water Supply, no wastewater services, minimal stormwater services only. (Note: excludes rural areas so is a different total to the 434 water supply connections in the previous table).
	Allanton	Small / medium settlement – zoned Township and Settlement	135	Receive DCC reticulated wastewater services only (Dunedin metropolitan wastewater scheme) (no water or stormwater services)
Strath Taieri	Middlemarch	Small town - zoned Town & Settlement (Rural Residential 1 surrounds)	130	Receive DCC reticulated wastewater services (Middlemarch wastewater scheme), no water services, minimal stormwater services only

The table below details those residential areas where water services are not provided.

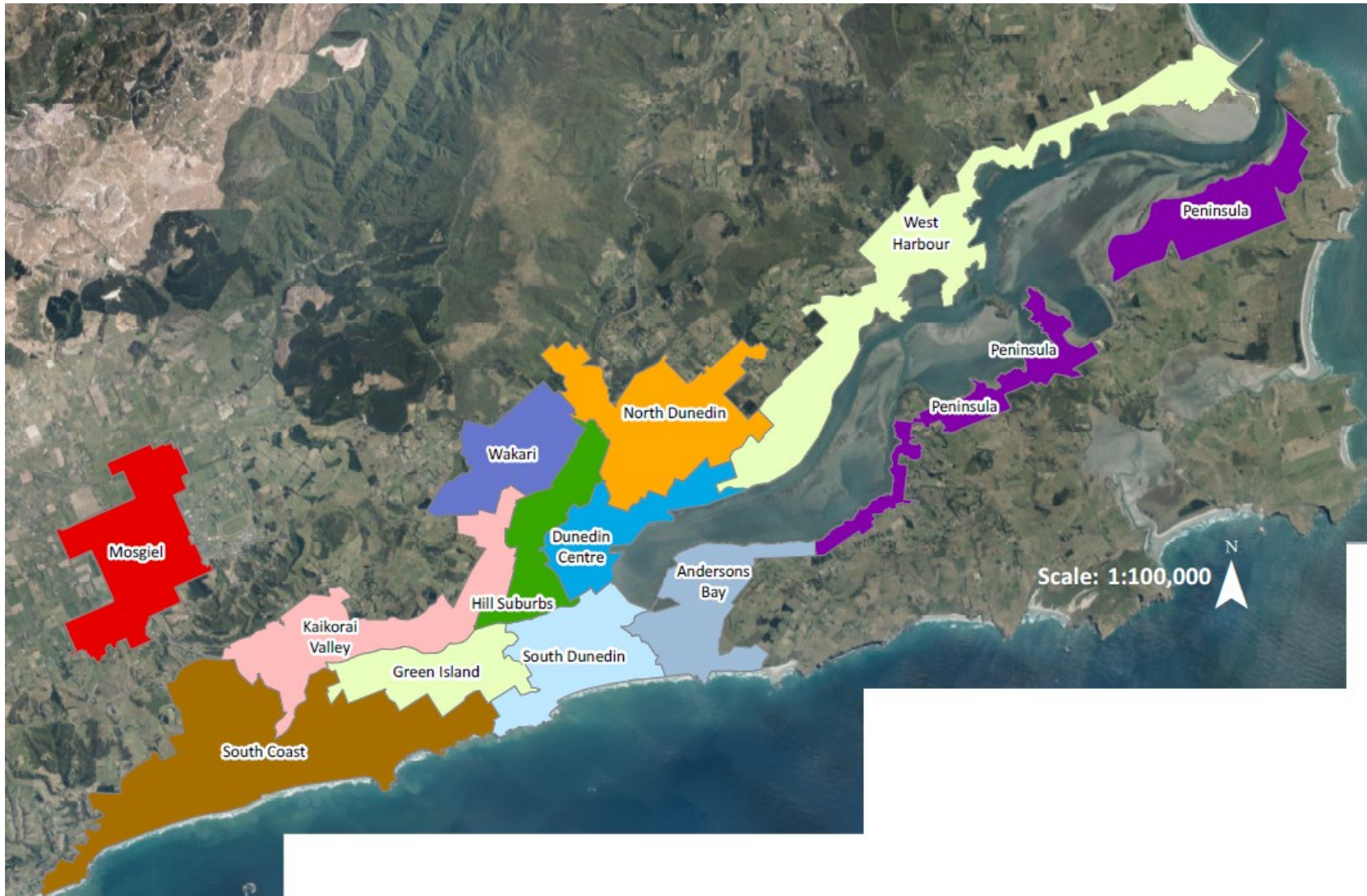
Areas with urban zoning unserved by DCC reticulated services (no DCC reticulated services):			
Community Board Area	Community	Characteristics	No. of sites
Waikouaiti Coast	Waikouaiti Native Reserve	Native Reserve - zoned Coastal rural	N/A
	Brinns Point Native Reserve	Native Reserve - zoned Coastal rural	N/A
West Harbour	Long Beach	Small coastal community - zoned town and settlement	120
	Osborne	Small community - zoned town and settlement	40
	Purakaunui	Small coastal community - zoned town and settlement	120
	Aramoana	Small coastal community - zoned town and settlement	145
	Te Ngaru	Small urban coastal community - zoned town and settlement	27
	Taylor Point	Small coastal community - zoned town and settlement	5
	Reynoldstown Road	Small coastal community - zoned town and settlement	10
Otago Peninsula	Harington Point	Small coastal community - zoned town and settlement	100
	Ōtākou Native Reserve	Native Reserve - zoned peninsula coast rural	N/A
	Ōtākou	Small coastal community - zoned town and settlement	110
	Harwood	Small coastal community - zoned town and settlement	120
	Lower Portobello	Small community - zoned town and settlement	50
	Pukehiki	Small community - zoned town and settlement	15
Saddle Hill	Kuri Bush	Small coastal community - zoned town and settlement	5
Mosgiel-Taieri	Woodside	Small community - zoned town and settlement	15
Strath Taieri	Hyde	Small community - zoned town and settlement	15

Rural zoned areas not listed in the two previous tables do not receive any DCC reticulated 3 Waters services.

Self-servicing is likely to be the primary form of water servicing in areas where the DCC does not supply water services. The DCC estimates the size of the self-served population in Dunedin is approximately 20,000 people.

Proposed growth areas:

Residentially zoned areas are identified in Dunedin’s Second Generation District Plan (2GP) and broadly fall within the geographic areas noted in the map below:



* Note: North Coast, Allanton, Outram and Middelmarsh Plan Areas not shown.

The 2GP identifies the land use zonings across the city, including those for residential development. These areas include both areas of intensification (infill development) and greenfields areas. Some of this development capacity is infrastructure-ready with funding for adequate development infrastructure to support development of this land identified in Dunedin's 9 Year Plan 2025-34. This is in accordance with the requirements of the National Policy Statement Urban Development 2020 (NPS-UD). Some of the capacity is plan-enabled but infrastructure constrained, with funding for adequate development infrastructure to support development of this land identified in Dunedin's 9 Year Plan 2025-34. These are considered to be transitional areas during the period 2024-34.

Plan-enabled areas not expecting to be developed until after 2034 are identified in the 2GP, but do not yet have funding allocated to support infrastructure provision. These areas include:

- Intensification and greenfield areas planned for development in the 10-30 year time horizon.
- Residential transition overlay zones (RTZs), which identify areas to provide for future residential needs, to be released and rezoned for development based on public infrastructure provision (i.e., will be made available once infrastructure is in place).
- Transitional areas are medium density residential zones that are subject to an infrastructure constraint that limits the density to which the areas can be developed. The limits on density in these areas will be lifted as infrastructure constraints are resolved.

The table on the following page summarises the infrastructure-ready number of available connections (4,420) and the number of plan-enabled potential new connections (17,000) of each type within each geographic area.

Plan Area	2024-34			2035-55				Total potential new connections
	Infrastructure-ready		Plan-enabled, infrastructure constrained (2024)	Plan-enabled				
	Intensification Areas	Greenfield Areas	Transitional Areas	Intensification Areas	Greenfield Areas	Transitional Areas	Residential Transition overlay Zones (RTZ)*	
Andersons Bay	370	-	-	1,170	-	40	-	1,210
Dunedin Centre	400	-	-	1,380	-	-	-	1,380
Green Island	80	110	-	690	190	-	-	880
Hill Suburbs	110	10	90	2,640	10	460	-	3,200
Kaikorai Valley	320	140	-	500	160	60	130	850
Mosgiel	360	690	300	740	170	840	360	2,410
North Coast	-	30	-		40	-	-	40
North Dunedin	180	340	310	470	30	1,820	100	2,730
Peninsula	-	20	-		100	-	-	100
South Coast	-	30	-		80	-	30	110
South Dunedin	870	-	10	3,010	10	200	-	3,230
Wakari	50	190	-	280	130	-	110	520
West Harbour	110	10	-	310	20	-	10	340
TOTAL	2,850	1,570	710	11,190	940	3,420	740	17,000

The potential new connection numbers to 2034 exceed the projected increase in serviced population and residential connections, noting that not all land shown as potentially viable will necessarily be developed.

Future development areas beyond 2034 that are not zoned or funded but identified for future zoning are detailed in the [Dunedin Future Development Strategy 2024-2054 \(FDS\)](#). Areas identified in the FDS for future housing intensification or business land use beyond 2034 are indicative only and will be subject to more detailed assessment prior to being proposed for rezoning through a future plan change process.

Current Levels of service and performance:

Drinking Water

Measure		Data Source	Target	Actual 2024/25*	Actual 2023/24	Achievement
Level of service: The water tastes and looks pleasant and is supplied at adequate pressure						
Percentage of residents satisfied with water pressure and quality		ROS	≥70%	71%	72%	Achieved
Level of service: The water is safe to drink						
The extent to which the drinking water supply complies with:	a) Part 4 of drinking water standards (bacteria compliance criteria)*	Internal reporting	100%	Not yet available	48.3%**	Not achieved
	b) Part 5 of drinking water standards (protozoa compliance criteria)*		100%	Not yet available	57.8%**	Not achieved
Level of service: Service calls are responded to promptly						
Where the DCC attends a call out in response to a fault or unplanned interruption to its reticulation system, the following response times are measured. (DIA measure)	a) Attendance for urgent call outs: from the time that notification is received, to the time that service personnel reach the site	Internal data	<60 minutes	Not yet available	43 minutes	Achieved
	b) Resolution of urgent call outs: from the time that notification is received to the time that service personnel confirm resolution of fault or interruption		<240 minutes	109 minutes	89 minutes	Achieved
	c) Attendance for non-urgent callouts: from the time that notification is received to the time that service personnel reach site. (DIA measure)		<1 day (1,440 minutes)	0.77 days (1,109 minutes)	0.73 days (1056 minutes)	Achieved
	d) Resolution of non-urgent callouts from the time that notification is received to the time that service personnel confirm resolution of the fault or interruption (DIA measure)		<1.67 days (2,400 minutes)	Not yet available	1.0 days (1,446 minutes)	Achieved
The total number of complaints received about any of the following: (DIA measure)	Level of service: The water tastes and looks pleasant					
	Drinking water clarity	Internal reporting	Not applicable	Not yet available	77 complaints	Not applicable
	Drinking water taste		Not applicable	6 complaints	7 complaints	Not applicable
	Drinking water odour		Not applicable	4 complaints	1 complaint	Not applicable
Level of service: Water is supplied at adequate pressure						

	The total number of complaints received about drinking water pressure or flow	Internal reporting	Not applicable	Not yet available	97 complaints	Not applicable
	Level of service: The water supply is reliable					
	The total number of complaints received about continuity of supply	Internal reporting	Not applicable	Not yet available	353 complaints	Not applicable
	Level of service: The Council is responsive to customer concerns					
	Response to any of these issues per 1,000 connections to the networked reticulation system	Internal reporting	Not applicable	0.63 per 1,000 connections	0.58 per 1,000 connections	Not applicable
	Total complaints expressed per 1,000 connections to networked reticulation system		< 15 per 1,000 connections	Not yet available	11.82 per 1,000 connections	Achieved
Level of service: Water resources are used efficiently and sustainably						
The average consumption of drinking water per day per resident within the DCC district.		Internal reporting	<240 litres	269 litres per day	276 litres per day	Not achieved
The percentage of real water loss from the networked reticulation system (including a description of the methodology to calculate this). Calculation method: 1. Treatment plant production minus non-domestic minus domestic minus known unbilled = Estimated non-revenue water 2. Estimated non-revenue water divided by periods' treatment plan production = Percentage real water loss.			≤20%	9%	15%	Achieved

ROS Residents' Opinion Survey

* Data has not yet been externally audited.

** The compliance percentage represents the proportion of the serviced population that was supplied drinking water from a fully compliant drinking water supply for the entire year. Compliance also includes instances when the initial assessment of requirements relevant to the WTP or Zone indicated achievement criteria were not met, but were found to be achieved following assessment of additional technical information and/or circumstances.

Explanation for not achieved

1 Drinking Water Safety

Non-compliance with distribution zone bacterial and residual disinfection monitoring rules

This table shows non-compliances with distribution zone bacterial and residual disinfection monitoring rules due to errors in scheduling of monitoring and in implementation of the monitoring schedule. Quality assurance measures have been put in place to avoid future errors.	
Exceedance(s) of the maximum interval between Free Available Chlorine (FAC) samples:	Kinmont (population 341) - December 2023 – one instance of exceeding the maximum interval between FAC samples (maximum interval of four days exceeded by one day) Low Levels / Peninsula (population 37,726) - July 2023 – one instance of exceeding the maximum interval between FAC samples (maximum interval of three days exceeded by one day) - August 2023 – one instance of exceeding the maximum interval between FAC samples (maximum interval of three days exceeded by two days)
Instances of not taking the minimum number of FAC samples per week:	Green Island (population 10,199) - October 2023 – one instance of exceeding the maximum interval between samples – maximum interval of nine days exceeded by four days Quarry Hill (population 9,535) - October 2023 – one instance of exceeding the maximum interval between samples – maximum interval of nine days exceeded by four days Wingatui (population 1,124) - October 2023 – one instance of exceeding the maximum interval between samples – maximum interval of nine days exceeded by four days - December 2023 – one instance of exceeding the maximum interval between samples – maximum interval of nine days exceeded by three days Outram (population 750) - August 2023 – one instance of exceeding the maximum interval between samples – maximum interval of nine days exceeded by seven days
Instances of not taking the minimum number of E.coli and total coliforms samples per month:	Wingatui (population 1,124) - December 2023 Outram (population 750) - August 2023

The Low Levels / Peninsula distribution zone (population 37,726) did not meet the relevant bacterial compliance requirements due to FAC results <1.0mg/L on 17 September and 17 December 2023. In both instances, DCC activated response actions following receipt of the results.

- DCC investigations found the low FAC results were unlikely to indicate an elevated risk to public health. DCC identified remedial actions to reduce the risk of reoccurrence

DCC identified remedial actions to reduce the risk of reoccurrence.

Non-compliance with bacterial treatment rules

- The Southern Water Treatment Plant (population 47925) was unable to demonstrate compliance with the bacterial treatment rules in January and February 2024 due to data integrity issues where water quality data was unable to be collected and verified. The Southern Water Treatment Plant achieved the bacterial treatment rule requirements for 364 out of 366 days (99.5%)
- The Outram Water Treatment Plant (population 750) was unable to demonstrate compliance with the bacterial treatment rules in December 2023, and January and February 2024 due to data integrity issues where water

quality data was unable to be collected and verified. The Outram Water Treatment Plant achieved the bacterial treatment rule requirements for 361 out of 366 days (98.6%).

- While the Southern and Outram Water Treatment Plants did not meet the bacterial performance requirements, the DCC determined that the circumstances relating to the data integrity issues were unlikely to have resulted in the supply of unsafe drinking water to consumers.

2 Non-compliance with protozoal treatment rules

- The Southern Water Treatment Plant (population 47925) was unable to demonstrate compliance with the protozoal treatment rules in February and March 2024 due to data integrity issues where water quality data was unable to be collected and verified. The Southern Water Treatment Plant achieved the protozoal treatment rule requirements for 364 out of 366 days (99.5%).
- The Outram Water Treatment Plant (population 750) was unable to demonstrate compliance with the protozoal treatment rules in December 2023, and January and February 2024 due to data integrity issues where water quality data was unable to be collected and verified. The Outram Water Treatment Plant achieved the protozoal treatment rule requirements for 361 out of 366 days (98.6%).
- While the Southern and Outram Water Treatment Plants did not meet the protozoal performance requirements, the DCC determined that the circumstances relating to the data integrity issues were unlikely to have resulted in the supply of unsafe drinking water to consumers.

3 Drinking water consumption

Increased consumption and demand for water was experienced for much of the first 6 months of 2024. Falling reservoir levels resulted in restrictions on water use in Port Chalmers, Outram, Waikouaiti and Karitane during this time period.

Wastewater

Measure		Data Source	Target	Actual 2024/25*	Actual 2023/24	Achievement
Level of service: Sewage is managed without adversely affecting the quality of the receiving environment						
The number of dry weather sewerage overflows from the sewerage system, expressed per 1000 sewerage connections to that sewerage system. (DIA measure)		Internal data	0	Not yet available	2.56 overflows per 1,000 connections	Not achieved ¹
Compliance with DCC resource consents for discharge from its sewerage system measured by the number of abatement notices, infringement notices, enforcement orders and convictions. (DIA measure)			0	0	1	Achieved ²
Level of service: Service calls are responded to promptly						
Where the DCC attends to sewerage overflows resulting from a blockage or other fault in the sewerage system, the following median response times are measured (DIA measure):	a) Attendance time: from the time notification is received to the time that service personnel reach the site; and	Internal data	< 60 minutes	Not yet available	39 minutes	Achieved
	b) Resolution time: from the time notification is received to the time that service personnel confirm resolution of the blockage or other fault		< 240 minutes	Not yet available	124 minutes	Achieved

Level of service: The wastewater service is reliable and the Council is responsive to customer concerns						
Percentage of residents satisfied with the sewerage system		ROS	≥65%	66%	68%	Achieved
The total number of complaints received about any of the following: (DIA measure)	Sewage odour	Internal data	Not applicable	32	16	Not applicable
	Sewerage system faults		Not applicable	Not yet available	81	Not applicable
	Sewerage system blockages		Not applicable	Not yet available	122	Not applicable
	Response to issues with the sewage system expressed per 1,000 connections to the sewerage system		Not applicable	0.12 per 1,000 connections	0.02 per 1,000 connections	Not applicable
	All of the above complaints expressed per 1,000 connections to the territorial authority's sewerage system		<5 per 1,000 connections	Not yet available	4.67 per 1,000 connections	Achieved

ROS Residents' Opinion Survey

* Data has not yet been externally audited.

Explanations:

1 Four non-network dry weather overflow events occurred in 2023/24:

- A dry weather overflow in Marne St Pump Station on 31 December 2023, due to an electrical or mechanical fault of the valve actuator
- A dry weather overflow in Challis point Pump Station on 30 January 2024 when the high-level alarm was accidentally turned off during work on the DCC's SCADA automation system
- A dry weather overflow occurred at Kaikorai Valley constructed sewerage overflow on 21 May 2024
- A dry weather overflow occurred at Kaikorai Valley constructed sewerage overflow on 17 June 2024
- Other dry weather overflows occurred on private property

2

- On 22 February 2024, ORC issued Abatement Notice EN.RMA.24.0003 for exceeding the Oxides of Nitrogen limit specified in condition 3 of the consent RM12.139.01, which authorises the discharge of contaminants into the air from Tahuna WWTP. The DCC is required to comply with the consent limit by 2 March 2026.
- No new abatements, infringement notices, enforcement orders or convictions issued in 2024/25. Abatement Notice EN.RMA.24.0003, received from ORC on 22 February 2024 for an exceedance of the consent authorising the discharge of contaminants into the air from Tahuna Wastewater Treatment Plant, remains in place. DCC is working with the Consent Authority to resolve the non-compliance.
- The following abatement notices were cancelled by the ORC in 2024 after DCC demonstrated the non-compliances had been resolved:
 - EN.RMA.22.0040 –non-compliance relating to discharge from Warrington wastewater treatment plant.

- EN.RMA.22.0041 –non-compliance relating to discharge from the Waikouaiti wastewater treatment plant.

Stormwater

Measure		Data Source	Target	Actual 2024/25*	Actual 2023/24	Achievement
Level of service: Stormwater services perform adequately and reliably						
Percentage of residents satisfied with the stormwater system		ROS	≥50%	54%	54%	Achieved
System and adequacy (DIA measure)	The number of flooding events that occur in the DCC district	Internal data	0	Not yet available	0	Achieved
	For each flooding event, the number of habitable floors affected (expressed per 1,000 properties connected to the stormwater system)	Internal data	0	Not yet available	0	Achieved
Level of service: Stormwater is managed without adversely affecting the quality of the receiving environment						
Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of (DIA measure):	Abatement notices	Internal data	0	0	0	Achieved
	Infringement notices		0	0	0	Achieved
	Enforcement notices		0	0	0	Achieved
	Successful prosecutions		0	0	0	Achieved
Level of service: Service calls are responded to promptly						
The median response time to attend a flooding event, measured from the time that notification is received to the time that service personnel reach the site (DIA measure)		Internal data	< 60 minutes	Not yet available	0 minutes	Achieved
The number of complaints received about the performance of the stormwater system, expressed per 1000 properties connected to the stormwater system (DIA measure)		Internal data	<1 per 1,000 connections	Not yet available	0.71 per 1,000 connections	Achieved

ROS Residents' Opinion Survey

* Data has not yet been externally audited.

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

Parameters	Drinking supply	Wastewater	Stormwater										
Average age of Network Assets (based on length)	Average age of watermains is 49 years, on an average total adjusted useful life of 85 years (58% consumed).	Average age of wastewater mains is 59 years, on an average adjusted total useful life ⁴ of 103 years (58% consumed).	Average age of stormwater mains is 58 years, on an average adjusted total useful life ⁴ of 103 years (58% consumed).										
Backlog value as at 1 July 2024	\$332M backlog in renewals as at 30 June 2024.	\$436M backlog in renewals as at 30 June 2024.	\$235M backlog in renewals as at 30 June 2024.										
Critical Assets	Criticality ratings are assigned on a 5 point scale (Criticality rating 1=insignificant, 5= Extreme). 90 assets across all WTP are identified as having criticality rating of 3 or more, and 52 assets identified at the 9 critical raw and treated water pump stations. Reticulation assets are assessed for criticality and mapped in GIS.	Criticality ratings are assigned on a 5 point scale (Criticality rating 1=insignificant, 5= Extreme). 200 assets with criticality of 3 or greater at the three metropolitan WWTPs (Tahuna, Green Island and Mosgiel) and Musselburgh pump station. Critical assets have not been identified for rural WWTPs. Reticulation assets are assessed for criticality and mapped in GIS.	Criticality ratings are assigned on a 5 point scale (Criticality rating 1=insignificant, 5= Extreme). Critical pump stations have been identified based on service impact of failure. Critical pump stations include those servicing South Dunedin (Portobello Road stormwater pump station) and Mosgiel (particularly Carlyle Road and Reid Avenue stormwater pump stations). Reticulation assets are assessed for criticality and mapped in GIS.										
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 <table><tr><td>Excellent</td><td>≤50% life consumed</td></tr><tr><td>Good</td><td>>50% to ≤75% life consumed</td></tr><tr><td>Average</td><td>>75% to ≤85% life consumed</td></tr><tr><td>Poor</td><td>>85 to ≤95% life consumed</td></tr><tr><td>Very Poor</td><td>>95% consumed</td></tr></table>	Excellent	≤50% life consumed	Good	>50% to ≤75% life consumed	Average	>75% to ≤85% life consumed	Poor	>85 to ≤95% life consumed	Very Poor	>95% consumed	7 water treatment plants (Waikouaiti, West Taieri, Outram, Southern, Mount Grand, Port Chalmers, and Pigeon Flat chlorination site) 100% of assets have an assigned condition based on age and theoretical useful life. Inspection-based condition assessment is completed for critical plant assets only. 34% of water supply plant and civil assets, measured by replacement cost, are in poor or very poor condition.	7 wastewater treatment plants (Tahuna, Green Island, Mosgiel, Waikouaiti, Seacliff, Warrington, Middlemarch) 100% of assets have an assigned condition based on age and theoretical useful life. Inspection-based condition assessment is completed for critical plant assets only. 29% of wastewater plant and civils assets, measured by replacement cost, are in poor or very poor condition.	Dunedin has no stormwater treatment plants. 100% of assets have an assigned condition based on age and theoretical useful life. Inspection-based condition assessment is completed for critical plant assets only. 78% of stormwater plant and civil assets, measured by replacement cost, are in poor or very poor condition.
Excellent	≤50% life consumed												
Good	>50% to ≤75% life consumed												
Average	>75% to ≤85% life consumed												
Poor	>85 to ≤95% life consumed												
Very Poor	>95% consumed												

¹ Average total adjusted useful life is the average expected lifespan of a group of assets, calculated using standard total useful lives but adjusted to reflect assets that remain in service beyond their original assigned lifespan.

Parameters	Drinking supply	Wastewater	Stormwater
Below ground assets • Total Km of reticulation • Percentage of network with condition grading • Percentage of network in poor or very poor condition	1,742 km 100% (based on age and theoretical useful life). For water supply reticulation, water pipe condition is assessed by removing small sections of pipe for inspection. This type of inspection-based condition assessment is usually only completed for critical large diameter pipelines as they near the end of their useful lives, to inform renewals planning processes. 29% of our water mains are classified as being in poor to very poor condition (>85% of life consumed).	918 km 100% based on age and theoretical useful life, 12% based on CCTV inspection. CCTV inspections are completed in response to reported issues or when an asset is due for renewal. This approach skews the data toward assets in poor condition, making it an unreliable indicator of overall network condition. 30% of wastewater below ground assets, measured by gross replacement cost, are in poor or very poor condition based on their age and expected useful life. 77% of CCTV inspected assets are in poor or very poor condition.	393 km 100% based on age and theoretical useful life. CCTV inspections are completed in response to reported issues or when an asset is due for renewal. This approach skews the data toward assets in poor condition, making it an unreliable indicator of overall network condition. 23% of stormwater below ground assets, measured by gross replacement cost, are in poor or very poor condition, based on their age and expected useful life.

Asset management approach

Existing service delivery mechanism

Dunedin City Council's water services are delivered through a hybrid model combining in-house expertise and strategic partnerships with external contractors. Core planning, operations, and administrative functions are managed internally, ensuring strategic control and regulatory compliance. Meanwhile, specialist tasks and large-scale infrastructure projects are outsourced to trusted contractors, enabling cost-effective and scalable service delivery.

In-House Functions

The following functions are managed internally by various teams within the DCC water services and by supporting corporate departments where noted.

Function Area	Key In-House Activities
Planning (3 Waters)	Strategic planning, hydraulic modelling, asset management planning, policy development, regulatory compliance, engagement with stakeholders
Network Operations (3 Waters)	Operation of raw water catchments, dams, pipelines, pump stations, pressure management, backflow compliance, dam safety monitoring,
Plant Operations (3 Waters)	Daily operation of treatment plants, optimisation of treatment processes, trade waste compliance, technical support, minor capital projects
Capital Delivery (3 Waters)	Delivery of capital works including renewals and new capital.
Business Support and Improvement (3 Waters)	Administration, provision of billing information, data management, quality control, change management, performance reporting
Corporate Support (various DCC departments)	Call centre management, procurement, HR, Health & Safety, Finance, ICT, Legal, Communications, Fleet, Property Services

Key Contracted Services

The following services are contracted out:

- Network maintenance - piped infrastructure excluding pump stations (maintained in-house), contract includes 24/7 response, customer connections, operational issue resolution. Retendering in 2025/26 for 1 July 2026 commencement.
- Network renewal – term contracts with three separate contractors, covering renewals of water, wastewater and stormwater reticulation network assets
- Pump station renewals – term contracts, covering renewals of network pump stations
- Treatment plant renewals – term contract covering water and wastewater treatment plants renewals and upgrades
- Compliance and performance sampling and analysis
- SCADA systems support
- Call centre after hours (managed by a separate DCC department)
- Meter reading
- Grounds maintenance

Various other short and long term contracts are in place to support in house delivery, such as technical, engineering and specialist support in areas such as mechanical and electrical maintenance, dam safety advice, and data system support.

Proposed service delivery mechanism

As part of the WSDP Implementation Plan, DCC will confirm its existing 3 Waters operating model and identify any changes required to service delivery mechanisms to ensure it can meet all legislative requirements and associated changes. This is expected to result in a review of the operating model of 3 Waters to ensure sufficient capacity for the delivery of water services and meeting additional requirements. It is anticipated that an uplift in financial, reporting, compliance and backflow prevention capacity will be required and budgets in the WSDP have allowed for this. Existing contractual arrangements will continue, subject to any required novation to separate water services from the rest of Council. Additional SLAs may be required where DCC water services provides services to other parts of Council, and vice versa, in order to meet ring-fencing requirements.

Cost reduction is already embedded in our delivery approach through routinely challenging the need for expenditure and ensuring we derive real value from the work we undertake and procure. We will expand on these cost reduction efforts by commencing an operating cost reduction initiative to reduce costs and enhance the long-term efficiency and affordability of Dunedin's water services. This initiative will support smarter resource use across water supply, wastewater, and stormwater systems by minimising unnecessary expenditure, improving performance, and maintaining high service standards. We will monitor key metrics and benchmark our performance against other councils to drive continuous improvement while meeting environmental and regulatory obligations.

As at the date of submitting this WSDP, DCC is still collaborating with Christchurch City Council (CCC) to investigate the potential for any shared services arrangements. The purpose of the collaboration is to seek out and implement opportunities that enhance productivity, efficiency, cost-effectiveness of our operations and resilience, particularly staff resilience. Both councils are currently completing feasibility assessments of prioritised shared service opportunities. A broad range of opportunities have been assessed across the spectrum of asset lifecycle themes, activities and associated supporting services. Several promising areas have been identified for further detailed assessment. It is not intended that any shared service arrangement with CCC would affect DCC's underlying WSDM. The Memorandum of Understanding entered between DCC and CCC includes within the project scope to consider how shared services could be extended to involve other territorial authorities.

Asset management systems

The following software packages make up the DCC's 3 Waters Group primary asset management systems:

- Hexagon's EAM system for asset management and workflow management purposes.
- IPS is used to manage valuation processes and provide the network maintenance contractor link to GIS.
- Geocortex GIS is used to provide a visual representation of assets.

3 Waters asset data in the EAM and GIS systems is maintained and reported on by the 3 Waters Group, with database security, backups and reporting tools managed by the Business Information Service (BIS) team, a separate Council department. DCC has set aside \$2 million in its 9 Year Plan 2025-34 to initiate an upgrade of the 3 Waters technology suite.

The Finance Team is responsible for data in the financial database, with database security, backups and reporting tools managed by the BIS team.

Supporting asset management policy and framework

The Asset Management Policy (2019) sets out the basis for the DCC's asset management approach to achieve its organisational goals. The DCC aims to deliver services to its communities in a cost-effective, sustainable, and coordinated manner consistent with its vision, strategic framework, and long-term objectives.

The DCC is committed through its 2019 policy to:

- adopting asset management systems and practices consistent with ISO 55000 (International Standard for Asset Management),
- making investment and prioritisation decisions informed by consistent, evidence-based, quality asset information,
- applying continuous improvement principles to ensure the approach remains appropriate to the assets, risks and service being managed, and
- consulting on matters of significance, including service levels, through the LTP (Long Term Plan) process or through a special consultation process as required under DCC's Significance and Engagement Policy.

The Asset Management Policy is supported by the Asset Disposal and Write-off Policy.

Asset management maturity assessments for water supply, wastewater, and stormwater activities were completed in June 2025. These assessments were conducted in-house and self-assessed against the criteria outlined in the e-book version of the International Infrastructure Management Manual (IIMM).

A proactive programme of work commenced in 2022, as part of a broader 3 Waters Strategic Work Programme, to enhance asset management practices and maturity and strengthen long-term infrastructure planning. As well as enhancing asset management practices the programme seeks to better understand asset health and asset performance, particularly with respect to ensuring robust infrastructure investment decision making.

Statement of regulatory compliance

This section sets out:

- The extent to which water services comply with current regulatory requirements
- The extent to which water services will comply with anticipated future regulatory requirements

The analyses of current and future compliance are split according to two regulatory systems:

- The environmental regulatory system (i.e. rules, standards and consent conditions under the Resource Management Act 1991)
- The drinking water regulatory system (i.e. the rules and standards made under the Water Services Act 2021)

Background: DCC water services systems

- The DCC owns and operates four registered drinking water supplies:
 - Dunedin City (DUN001) – registered population 112,515
 - Outram (OUT001) – registered population 750
 - Waikouaiti (WAI015) – registered population 1,642
 - West Taieri (WES002) – registered population 450, plus Dunedin Airport
- The DCC wastewater collection, treatment and disposal system incorporates network infrastructure (e.g. pipes and pumps), seven wastewater treatment plants and discharge infrastructure that disposes of wastewater to ocean, land and freshwater.
- The DCC stormwater system covers a large geographic area and includes a range of infrastructure assets. Discharges occur to freshwater and coastal waters.

- The following initialisms are used in this section:
 - WTP (water treatment plant)
 - WWTP (wastewater treatment plant)
 - ORC (Otago Regional Council)

Environmental Regulatory Compliance:

Significant resource consents held by the DCC for water services

- For the purposes of this WSDP, ‘significant consents’ are those resource consents held by the DCC for discharges, water takes and dams that have regular performance monitoring and reporting requirements and for which compliance is regularly audited by the ORC (as the consent authority).
- In accordance with the WSDP preparation guidance, other consents held by the DCC that relate to water services assets and activities have been excluded from the analysis. The excluded consents include consents for land use, structures, construction and asset maintenance activities, and long-term / permanent diversion of waterways. The excluded consents also include water take consents not currently being exercised (and which have not been exercised since 2017).
- A full list of ‘significant consents’ referenced in this Plan – totalling 64 – is attached to this Plan as Appendix C. A summary breakdown of significant consents by activity type is provided in row 1 of Table 1 below.
- Table 1 (environmental regulatory compliance summary) covers current compliance with significant resource consents held for water supply, wastewater and stormwater activities, and – more broadly – with any other rules or standards made under the Resource Management Act 1991.

Table 1 – environmental regulatory compliance summary

	Parameters	Drinking supply schemes	Wastewater schemes	Stormwater Schemes/catchments
1	Resource Management Significant consents (note if consent is expired and operating on s124)	Water supply take [17] Water treatment plant discharge [8, including 1 expired and operating on RMA s124] Water supply network discharge [2] Water supply dam [8] Total water supply [35]	Wastewater treatment plant discharge water/land/air [14, including 2 expired and operating on RMA s124] Wastewater network discharge [4] Total wastewater [18]	Stormwater discharge [11] Total stormwater [11]
2	Expire in the next 10 years	2, including 1 already expired and operating on RMA s124	14, including 2 already expired and operating on RMA s124	1
3	- Non-compliance: - Significant risk non-compliance - Moderate risk non-compliance - Low risk non-compliance	0 1 15	1 4 5	0 10 0
4	Active resource consent applications	1 active application	2 active applications	0
5	- Compliance actions (last 24 months): - Warning - Abatement notice - Infringement notice - Enforcement order - Convictions	0 0 0 0 0	0 4 0 0 0	0 0 1 0 0

Expired consents operating under section 124 Resource Management Act 1991

- As at 30 June 2025, the DCC is exercising three expired resource consents under section 124 Resource Management Act 1991 while applications for new consents are being processed. The three consents are:
 - **2002.677 (expired 1 June 2023)**: permit to discharge up to 320,000 litres per day of backwash water from the West Taieri WTP.
 - **2007.014 (expired 1 November 2023)**: permit to discharge contaminants to air associated with the ongoing operation of the Warrington wastewater treatment and disposal system.
 - **2006.861.V2 (expired 1 February 2024)**: permit to discharge treated domestic wastewater to land for the purpose of disposal of wastewater from the Warrington wastewater treatment and disposal system.

Active resource consent applications

- As at 30 June 2025, the DCC has two active resource consent applications (for three resource consents):
 - **Application RM23.007.01**: application for consent to discharge backwash water from West Taieri WTP to land for a 3-year term. To replace consent 2002.677.
 - **Application RM23.386.01**: a combined application for consents for discharges to land and air from Warrington WWTP for a 10-year term. To replace consents 2006.861.V2 and 2007.014.

Summary of compliance with current regulatory requirements and improvement actions to address non-compliance

- The DCC's water services systems are generally capable of meeting current environmental regulatory requirements and can be operated in a manner that appropriately manages environmental effects. However, the performance of DCC's systems does not always meet all requirements of consent conditions and – as noted in rows 3 and 5 of Table 1 – the DCC is not fully compliant with all 64 significant resource consents and the ORC has taken enforcement action against the DCC for the most significant non-compliances.
- The DCC has identified improvement actions to address environmental regulatory non-compliances and implementation of most improvement actions is already in progress. The actions include operational improvements and capital improvements. The capital and operating expenditure budgets set out in this WSDP and the DCC's 9 Year Plan 2025-34 include funding for the resources while ensuring efficiency and cost optimisation is achieved. The DCC estimates it needs to complete the improvement actions and achieve full compliance by 30 June 2028.
- Non-compliances and associated improvement actions are set out in more detail below.

Water supply

- The compliance statuses reported in row 3 of Table 1 reflect the findings of consent compliance audits undertaken by the ORC in 2024 when 34 of the 35 consents were audited. The remaining consent was issued after the audit took place. A brief summary of the non-compliances identified in the 2024 ORC audit reports and related improvement actions identified by DCC is below. Summary information is also provided in Appendix C. Any instances of non-compliance with water take quality limits and discharge quantity and quality limits that have occurred after the 2024 ORC audit reports were issued are not included here. The DCC expects these will be assessed by the ORC at the next regular compliance audit.
 - **Moderate non-compliance (West Taieri WTP backwash discharge, 2002.677)**: this non-compliance relates to exceedances of the consented limit for the concentration of suspended solids in the receiving environment downstream of the discharge.

- **Improvement action:** The DCC is currently applying for a new consent for this discharge (application RM23.007.01). The DCC is seeking to exclude the requirement to monitor suspended solids in the receiving environment from the conditions of the new consent and anticipates the Consent Authority will support this approach. This is because the receiving environment does not provide suitable conditions for monitoring suspended solids and the non-compliant results are unlikely to indicate adverse environmental effects.
- **Low-risk non-compliance (multiple water takes and WTP discharges):** these instances of non-compliance relate to water quantity data quality issues, infrequent / isolated exceedances of consented limits on rate and/or volume of water take, and infrequent / isolated exceedances of consented limits on rate and/or volume of discharge. More detail is provided in Appendix C.
 - **Improvement action:** multiple – please see Appendix C for details.

Wastewater

- The compliance statuses reported in row 3 of Table 1 reflect the findings of consent compliance audits undertaken by the ORC in 2024, when 15 of the 18 consents were audited. The reasons why the remaining three consents were not audited are provided in Appendix C. A brief summary of the non-compliances identified in the 2024 ORC audit reports and related improvement actions identified by DCC is below. Summary information is also provided in Appendix C. Any instances of non-compliance with wastewater discharge quantity and quality limits that have occurred after the 2024 ORC audit reports were issued are not included here. The DCC expects these will be assessed by the ORC at the next regular compliance audit.
 - **Significant non-compliance (Tahuna WWTP discharge to air, RM12.139.01.V1):** this non-compliance relates to exceedances of the discharge quality limit for Oxides of Nitrogen. An abatement notice, issued by the ORC in 2024, is currently in place.
 - **Improvement action:** The DCC is working with the Consent Authority to resolve the non-compliance via a variation to the conditions of the consent based on a technical review of treatment process and discharge characteristics and resulting environmental effects. The compliance date in the abatement notice is 2 March 2026.
 - **Moderate non-compliance (Waikouaiti WWTP discharge to land, RM12.190.02):** non-compliance relates to exceedances of the discharge quality limits for ammoniacal nitrogen and faecal coliforms. Ammoniacal nitrogen was subject to an abatement notice issued in June 2022. Following the completion of improvement actions by DCC the ammoniacal nitrogen non-compliance was resolved and the abatement notice cancelled (as of November 2024).
 - **Improvement action:** The faecal coliforms limit exceedance relates to an elevated result in July 2024, which the DCC considers (based on other sampling carried out around the same time) may not be reliable. Faecal coliforms continue to be non-compliant with the relevant discharge quality limit due to the previous elevated result. The consent limit is set as “No sample to exceed (based on 95% upper confidence limits of the past 8 samples collected.” This means the faecal coliforms non-compliance will remain in place until at least mid-2026 due to compliance samples being required quarterly and the statistical calculation the limit is based on. Faecal coliform sample results following July 2024 have so far been below the level needed to achieve compliance in mid-2026. No further specific improvement actions identified.
 - **Moderate non-compliance (wastewater network overflows, RM16.335.01.V1, RM16.335.04.V1, RM16.335.05.V1):** non-compliance relates to the DCC’s failure to meet the monitoring requirements of the consent. This was due to the failure of data loggers that record discharge events.
 - **Improvement action:** a wastewater overflow monitoring system upgrade is currently in progress. This includes replacement of the failed data loggers.
 - **Low-risk non-compliance (Middlemarch WWTP discharge to land RM21.037.01, Warrington WWTP discharge to land 2006.861.V2, Green Island WWTP discharge to coast 97530, Musselburgh wastewater pump station discharge to air 2006.825, Tahuna WWTP discharge to coast 2002.623, Waikouaiti WWTP discharge to land RM12.190.02):** these non-compliances relate to infrequent and/or isolated instances of exceedances of discharge quality and quantity limits, missed and/or late samples, late reports, and the failure to notify the consent authority of a complaint received. Specifically at the Middlemarch WWTP, there are also non-compliances related to delays in completing improvement actions and failure to carry out modifications to the inlet pipework as required by a condition

of the consent. The DCC has provided evidence to demonstrate the inlet pipework modifications would not be beneficial in terms of managing environmental effects but has not yet formally applied for a consent variation to remove the consent condition and resolve the non-compliance.

- **Improvement action:** multiple – please see Appendix C for details.
- In addition to resource consent non-compliances identified in row 3 of Table 1 and the related explanations above, the DCC identifies the following additional environmental non-compliances:
 - **Wastewater network overflows:** unplanned and infrequent wastewater network discharges to the environment can occur when system capacity is exceeded due to weather conditions (for example, significant high rainfall) or when asset failure occurs. These discharges are not consented but are reported to the ORC when they occur from DCC systems. As at 30 June 2025, the last reported events were in October 2024. These were due to the effects of a severe wet weather event (multiple wastewater network overflow events) and a network blockage event (one overflow event).
 - **Improvement action:** in addition to physical works (renewals and upgrades) to improve the performance of the wastewater network in wet weather, the DCC intends to apply for a global consent for wet weather wastewater system management and is monitoring Taumata Arowai's work on a proposed wastewater environmental performance standard for wastewater overflows and bypasses closely.
 - **WWTP bypasses:** unplanned and infrequent wastewater discharges to the environment from WWTPs, but that have bypassed parts of the treatment process, can occur when system capacity is exceeded due to weather conditions (for example, significant high rainfall) or when asset failure occurs. These discharges are not consented but are reported to the ORC when they occur from DCC systems. As at 30 June 2025, the last reported events in the previous three-year period were: Tahuna WWTP to the Pacific Ocean (October 2024) due to the effects of a wet weather event; and Mosgiel WWTP to Silverstream (28 June 2025) due to the effects of a wet weather event.
 - **Improvement action:** in addition to physical works (renewals and upgrades) to improve the performance of the WWTPs in wet weather, the DCC intends to apply for a global consent for wet weather wastewater system management and is monitoring Taumata Arowai's work on a proposed wastewater environmental performance standard for wastewater overflows and bypasses closely.
 - As reported in row 5 of Table 1, four abatement notices have been issued or are in force in relation to DCC WWTPs during the last 24 months (period 1 July 2023-30 June 2025):
 - On 30 June 2022, the ORC issued three abatement notices in relation to non-compliances with wastewater discharge consent conditions during the period 1 July 2020 to 30 April 2022:
 - **EN.RMA.22.0040** – for non-compliance with the Total Nitrogen discharge limits in resource consent 2006.861.V2 (discharge from Warrington wastewater treatment plant). The ORC cancelled the Abatement Notice on 21 November 2024 after the DCC resolved the issues raised.
 - **EN.RMA.22.0041** – for non-compliance with the Ammoniacal Nitrogen and Total Suspended Solids discharge limits in resource consent RM12.190.02 (discharge from Waikouaiti wastewater treatment plant). The ORC cancelled the Abatement Notice on 21 November 2024 after the DCC resolved the issues raised.
 - **EN.RMA.22.0042** – for non-compliance with the Oil and Grease, Cyanide, and Zinc discharge limits in resource consent 2002.623 (discharge from Tahuna wastewater treatment plant). The ORC cancelled the Abatement Notice on 20 December 2023 after the DCC resolved the issues raised.

- **EN.RMA.24.0003** – on 22 February 2024, the ORC issued an abatement notice to DCC for exceeding the Oxides of Nitrogen limit specified in condition 3 of the consent RM12.139.01, which authorises the discharge of contaminants into the air from Tahuna WWTP. The DCC is required to comply with the Abatement Notice by 2 March 2026. As explained above, the DCC is working with the Consent Authority to resolve the non-compliance via a variation to the conditions of the consent based on a technical review of treatment process and discharge characteristics and resulting environmental effects.

Stormwater

- The compliance statuses reported in row 3 of Table 1 reflect the findings of consent compliance audits undertaken by the ORC in 2023. The ORC also undertook compliance audits in 2024 but, as at 30 June 2025, the DCC had not yet received the audit reports. A brief summary of the non-compliances identified in the 2023 ORC audit reports and related improvement actions identified by DCC is below. Summary information is also provided in Appendix C.
 - **Moderate non-compliance (stormwater discharges to the coast, consents RM11.313.01-10):** these non-compliances related to failures to investigate exceedances of trigger levels for microbiological and chemical contaminants in stormwater, harbour water and harbour sediments in accordance with the requirements of the consent conditions.
 - **Improvement action:** the DCC has identified the need for additional resources to develop and implement a programme to investigate the trigger level exceedances. The capital and operating expenditure budgets set out in this WSDP and the DCC's 9 Year Plan 2025-34 include funding for the resources (both human and financial) the DCC estimates it needs to complete the improvement actions and achieve full compliance by 30 June 2028.
- As reported in row 5 of Table 1, one infringement notice was issued in relation to work in DCC stormwater schemes / catchments during the last 24 months (period 1 July 2023-30 June 2025). This was not related to one of the 11 stormwater discharge consents held by the DCC.
 - On 27 September 2023, the ORC issued infringement notice **EN.RMA.23.0119** to the DCC for a discharge of sediment from the disturbance of the bed of an unnamed tributary of the Owhiro Stream. The DCC resolved the matter, including by addressing the source of the discharge and by paying the infringement fee.

Environmental regulatory compliance – future requirements

- The DCC is monitoring the development of new environmental policy and regulatory instruments relevant to three waters activities and participating in policy and planning processes where possible. Key instruments the DCC expects to be introduced within the next three years include:
 - A new Land and Water Regional Plan for Otago
 - An updated National Policy Statement for Freshwater Management 2020
 - Wastewater Environmental Performance Standards
- The DCC anticipates that new resource consents obtained over the coming 10-20 years for current discharges and water takes will be issued with more restrictive quality and quantity limits and will incorporate more comprehensive conditions relating to risk management and quality assurance requirements. The DCC also anticipates the status of some activities currently managed as permitted activities in Otago – for example, the discharge of stormwater to freshwater – will change so that resource consents for those activities will be required in future.

- The DCC has developed a consenting strategy for its three waters systems that incorporates an adaptive planning approach, which is designed to respond to changes arising from the introduction of new environmental policy and regulatory instruments such as the three identified above.
- Based on the current environmental compliance status and improvement actions outlined above, and coupled with the consenting strategy and the broader investment programme outlined in this Plan and the DCC's 9 Year Plan 2025-34, the DCC expects to achieve and maintain full compliance with environmental regulatory requirements by 30 June 2028.

Drinking water Regulatory Compliance:

Summary of compliance with current drinking water regulatory requirements

- All four DCC drinking water supplies report against the following modules in the Drinking Water Quality Assurance Rules 2022 (DWQAR):
 - G – General Rules
 - S3 – Source Water Rules (large supplies)
 - T3 – Treatment Rules (large supplies)
 - D3 – Distribution Rules (large supplies)
- Table 2 (drinking water regulatory compliance) summarises current compliance with the DWQAR and the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 (DWS). It also provides information about boil water notices, fluoridation, average consumption of drinking water, water restrictions and firefighting capacity.
- All DCC supplies have Drinking Water Safety Plans, bacterial treatment barriers, protozoal treatment barriers and residual disinfection.
- For rows 1-2 of Table 2, responses relate to the period beginning 1 January 2023 through to the present.
- For rows 3-11 of Table 2, responses relate to the period 1 January-31 December 2024, to align with the 2024 DWQAR annual compliance period. The following descriptors of compliance status are used:
 - All met (100% of category requirements reported to Taumata Arowai were met)
 - Almost met (95-99% of category requirements reported to Taumata Arowai were met)
 - Partially met (1-94% of category requirements reported to Taumata Arowai were met)
 - Not met (No category requirements reported to Taumata Arowai were met)
- These descriptors of compliance status are used by Taumata Arowai. Taumata Arowai's methodology for calculating compliance and assigning one of the 4 descriptors above is explained at Appendix 3 of the [Drinking Water Regulation Report 2023](#) and in Taumata Arowai's [Hinekōrako Portal Reference Guide: Monitoring Water Quality](#)

– **Supply Summary Table.** Not all DWQAR rules are considered by the methodology. The rules in scope of the methodology are set out in the [Drinking Water Regulation Report 2023](#), Appendix 3, page 99.

- The DCC has identified improvement actions to address the DWQAR non-compliances. Implementation of most improvement actions is already in progress. The actions include operational improvements and capital improvements. The capital and operating expenditure budgets set out in this WSDP and the DCC's 9 Year Plan 2025-34 include funding for the resources (both human and financial) the DCC estimates it needs to complete the improvement actions and achieve full compliance by 30 June 2028.

Table 2 – drinking water regulatory compliance summary

Parameters		DCC Drinking Water Supplies			
		Dunedin City DUN001	Outram OUT001	Waikouaiti WAI015	West Taieri WES002
1	DWS compliance (number of MAV exceedances)	2	0	1	0
2	Bacterial compliance (E.coli) – number of DWS MAV exceedances	0	0	0	0
3	Bacterial treatment performance – DWQAR T3	Almost met (99.6%)	Almost met (99.6%)	Almost met (99.7%)	Almost met (99.9%)
4	Protozoa log credits achieved – DWQAR T3	All met (100%)	None met	All met (100%)	None met
5	Chemical monitoring – Treatment Performance – DWQAR T3	Partially met (79.6%)	Almost met (99.5%)	Almost Met (99.9%)	All Met
6	Chemical Monitoring – Distribution Performance – DWQAR D3	All met	All met	All met	All met
7	Distribution Monitoring – Bacterial Performance – DWQAR D3	Almost met (99.4%)	All met	All met	All met
8	Residual Disinfection Performance – DWQAR D3	All met	All met	All met	All met
9	Backflow Protection Performance – DWQAR D3	Partially met (33.3%)	Partially met (33.3%)	Partially met (33.3%)	Partially met (33.3%)
10	Distribution Storage Practices Performance – DWQAR D3	All met	All met	All met	All met
11	Hygiene Performance – DWQAR D3	Partially met (59.9%)	Partially met (59.9%)	Partially met (59.9%)	Partially met (59.9%)
12	Boil water notices in place [# of notices in place last 3 years]	1	0	0	0
13	Fluoridation	Partially	No	No	No
14	Average consumption of drinking water	650L/connection/day			
15	Water restrictions in place (last 3 years)	Yes			
16	Firefighting sufficient	Partially	Yes	Partially	No

- More detailed comments on the information presented in Table 2 are set out under the sub-headings on the following page.

DWS compliance – Table 2, row 1

- The DUN001 supply recorded two exceedances of the MAV for bromate (a disinfection by-product) in February 2023. The DCC investigation identified the likely cause of the exceedances as a temporary change to normal disinfection procedures at one water treatment plant.
- The WAI015 supply recorded an exceedance of the MAV for lead in July 2023. The DCC investigation found sampling error was the likely cause of the exceedance.

Bacterial treatment performance (DWQAR T3) – Table 2, row 3

- The DCC has determined that circumstances relating to data integrity issues, which temporarily affected the collection and verification of water quality data and meant the DCC was unable to demonstrate full compliance with bacterial treatment rules in all supplies, were unlikely to have compromised the safety of drinking water provided to consumers. The DCC also experienced impacts of a severe heavy rain event, which resulted in the DCC issuing a boil water notice to consumers supplied from the Port Chalmers WTP (part of the DUN001 supply) for approximately 4 days in early-October 2024. During this period, there were instances of non-compliance with bacterial treatment rules at the Port Chalmers WTP. The boil water notice helped to safeguard public health while the situation was being managed.
 - **Improvement action:** DCC is investigating solutions to strengthen data integrity and ensure that compliance data is consistently collected and verified.

Protozoa log credits achieved (DWQAR T3) – Table 2, row 4

- The DCC has resolved all issues with the validation certificates for the UV treatment units at the Outram WTP and West Taieri WTP, which had affected its ability to demonstrate that the required protozoa log credits for the OUT001 and WES002 supplies had been achieved. Following a thorough assessment, DCC determined that the circumstances were unlikely to have resulted in the supply of unsafe drinking water to consumers.

Chemical monitoring – Treatment Performance (DWQAR T3) – Table 2, row 5

- The DCC has determined that circumstances relating to data integrity issues, which temporarily affected the collection and verification of water quality data and meant the DCC was unable to demonstrate full compliance with chemical monitoring rules in the DUN001 and WAI015 supplies, were unlikely to have compromised the safety of drinking water provided to consumers.
 - **Improvement action:** DCC is investigating solutions to strengthen data integrity and ensure that compliance data is consistently collected and verified.
- The DCC (in relation to the DUN001 supply) identified an opportunity to improve its monitoring processes after a chemical determinand in source water was detected at over 50% of its Maximum Acceptable Value (MAV), and additional treated water monitoring was not initiated as required. In response, DCC has updated its procedures to ensure that any source water results exceeding 50% of the MAV trigger timely alerts and the initiation of additional monitoring, in line with DWQAR requirements.

Distribution Monitoring – Bacterial Performance (DWQAR D3) – Table 2, row 7

- On three occasions, the DUN001 supply did not meet the monitoring requirements for E. coli due to missed or delayed samples.
 - **Improvement action:** The DCC has reviewed its sampling schedule and continues to refine it to ensure sampling frequencies are maintained and maximum intervals between samples are not exceeded. DCC also maintains a constructive partnership with its sampling and laboratory contractor to further reduce the likelihood of missed or delayed sampling events.

Backflow Protection Performance (DWQAR D3) – Table 2, row 9

- The DCC has an established boundary backflow prevention programme designed to reduce the risk of drinking water contamination through backflow. As part of its commitment to continuous improvement and full compliance with the Water Services Act 2021 and DWQAR requirements, the DCC has identified opportunities to strengthen the programme. Key areas for enhancement include:
 - Conducting periodic surveys of the network to identify high and medium backflow risks, at least once every five years;
 - Implementing procedures to ensure appropriate backflow prevention measures are installed where current protections are found to be inadequate; and
 - Ensuring sufficient resourcing and robust procedures are in place to support annual testing of all boundary backflow prevention devices protecting the DCC network.
 - **Improvement action:** The DCC has undertaken initial scoping work on backflow programme gaps and resourcing needs. The next step is for DCC to develop, resource and implement a backflow programme improvement plan.

Hygiene Performance (DWQAR D3) – Table 2, row 11

- The DCC is committed to maintaining high standards for watermain hygiene procedures, but the DCC is not yet able to produce evidence to demonstrate compliance with all rules relating to new and repaired watermain hygiene procedures.
 - **Improvement action:** The DCC is investigating verification and record keeping improvements to ensure compliance can be demonstrated in future.

Boil water notices in place – Table 2, row 12

- The DCC experienced impacts of a severe heavy rain event, which resulted in the DCC issuing a boil water notice to consumers supplied from the Port Chalmers WTP (part of the DUN001 supply) for approximately 4 days in early-October 2024. During this period, there were instances of non-compliance with bacterial treatment rules at the Port Chalmers WTP. The boil water notice helped to safeguard public health while the situation was being managed.

Fluoridation – Table 2, row 13

- The DUN001 supply includes three WTPs: Mount Grand, Southern and Port Chalmers. Drinking water produced at the two largest WTPs (Mt Grand and Southern) is fluoridated. Port Chalmers WTP operates seasonally to support the system to meet higher demand in summer. When Port Chalmers WTP is operating, unfluoridated drinking water produced at Port Chalmers WTP is mixed with fluoridated drinking water produced at Mount Grand WTP before it is supplied to consumers in the Port Chalmers zone. When Port Chalmers WTP is not operating, consumers in the Port Chalmers zone receive fluoridated drinking water from Mount Grand WTP. The DCC intends to decommission Port Chalmers WTP within the next 5-10 years and, therefore, has no plans to introduce fluoridation at Port Chalmers WTP.
- The OUT001 supply includes one WTP. The DCC has not received a direction under the Health Act 1956 to fluoridate the OUT001 supply. Upgrades to enable fluoridation have been costed but are not currently funded.
- The WAI015 supply includes one WTP. The DCC has not received a direction under the Health Act 1956 to fluoridate the WAI015 supply. Upgrades to enable fluoridation have been costed but are not currently funded.
- The WES002 supply includes one WTP. The DCC has not received a direction under the Health Act 1956 to fluoridate the WES002 supply. The DCC has no current plans to introduce fluoridation.

Average consumption of drinking water – Table 2, row 14

- The DCC reported this drinking water consumption figure – 650L / connection / day – in its reporting to Taumata Arowai on the Network Environmental Performance Measures for 2023/24. Data confidence regarding drinking water consumption is generally low / uncertain. This is due to the small number of domestic meters used to calculate domestic consumption.

Water restrictions in place (last 3 years) – Table 2, row 15

- The following restrictions were put in place during the three year period 1 July 2022-30 June 2025:
 - **2022/23** – 49 days of Level 1 restrictions in Mosgiel (part of DUN001 supply) during the period 16 January-6 March 2023.
 - **2023/24** – 122 days of water restrictions, comprising:
 - 66 days of Level 1 restrictions in Port Chalmers (part of DUN001 supply) during the period 27 February-2 May 2024
 - 9 days of Level 1 restrictions across all of WAI015 supply during the period 27 February- 6 March 2024
 - 113 days of Level 2 restrictions across all of WAI015 supply during the period 7 March-27 June 2024.
 - **2024/25** – 6 days. Due to the effects of the October 2024 wet weather event, several communities supplied by the DUN001 supply (Otago Peninsula, West Harbour, Port Chalmers, Ocean View and Brighton) were placed under water conservation notices from the 4-9 October 2024. Both the WAI015 and OUT001 supplies were placed under level 1 restrictions: WAI015 for 1 day and OUT001 for 3 days.

Firefighting sufficient – Table 2, row 16

- The DUN001 and WAI015 supplies include a mix of both rural and urban water supply areas. Some rural water supply areas provide a restricted flow supply, where a small continuous flow is supplied to the customer's own storage tank(s) via a flow control device. The customer's storage caters for their own demand fluctuations. In rural water supply areas, the DCC network may not provide sufficient capacity for firefighting and fire hydrants may not be installed in the network at the same frequency as in urban water supply areas.
- The WES002 supply is a rural water supply area that provides a restricted flow supply, where a small continuous flow is supplied to the customer's own storage tank(s) via a flow control device. The customer's storage caters for their own demand fluctuations. There are no DCC fire hydrants installed in this rural water supply area.
- The DCC has adopted Fire and Emergency New Zealand Code of Practice SNZ PAS 4509:2008.
 - **Improvement action:** The DCC has an ongoing improvement programme to address firefighting sufficiency in its drinking water supplies.

Additional DWQAR non-compliances (not identified in Table 2)

- In addition to the non-compliances identified in Table 2, the DCC reported the following non-compliances (which relate to DWQAR rules not covered by the Taumata Arowai assessment methodology described above) for the 2024 annual reporting period:
 - Non-compliance with the general rule relating to staff training and experience requirements. DCC needs to ensure its procedures and records are sufficient to demonstrate full compliance with the rule requirements.
 - **Improvement action:** The DCC is investigating verification and record keeping improvements to ensure compliance can be demonstrated in future.

- Non-compliance with the general rules relating to instrument calibration and verification. This was because the DCC could not demonstrate it had programmed all calibration and verification events in its asset management system in accordance with the requirements of the rule, nor could it provide documentary evidence that all scheduled calibration and verification events were undertaken as per the schedule.
 - **Improvement action:** The DCC has completed work to ensure all maintenance events for all compliance instruments have been programmed. The DCC is investigating verification and record keeping improvements to ensure compliance can be demonstrated in future.
- Instances of non-compliance with general rules relating to continuous monitoring of water characteristics during and immediately after the treatment process. The DCC has determined that circumstances relating to data integrity issues, which temporarily affected the collection and verification of water quality data and meant the DCC was unable to demonstrate full compliance with general rules relating to continuous monitoring, were unlikely to have compromised the safety of drinking water provided to consumers.
 - **Improvement action:** The DCC is investigating solutions to strengthen data integrity and ensure that compliance data is consistently collected and verified.
- Non-compliance with source water rules, due to not monitoring all relevant determinands in source water at the frequencies required.
 - **Improvement action:** The DCC has reviewed its sampling schedule and continues to refine it to ensure sampling frequencies are maintained and maximum intervals between samples are not exceeded.
- Instances of non-compliance with protozoa treatment rules due to data integrity issues where water quality data was temporarily unable to be collected and verified. The DCC determined that the circumstances relating to the data integrity issues were unlikely to have compromised the safety of drinking water provided to consumers.
 - **Improvement action:** The DCC is investigating solutions to strengthen data integrity and ensure that compliance data is consistently collected and verified.
- Instances of non-compliance with protozoa treatment rules due to process and procedure issues at the two WTPs that use membrane filtration for protozoa treatment.
 - **Improvement action:** physical works (and associated operational improvements) are underway or planned at both affected plants to address these issues.
- Instances, on three occasions, of non-compliance with residual disinfection monitoring rules due to missed or delayed samples.
 - **Improvement action:** The DCC has reviewed its sampling schedule and continues to refine it to ensure sampling frequencies are maintained and maximum intervals between samples are not exceeded. DCC also maintains a constructive partnership with its sampling and laboratory contractor to further reduce the likelihood of missed or delayed sampling events.
- Non-compliance with disinfection by-product monitoring rules for not having a sufficient number and spatial distribution of water quality monitoring stations in 3 distribution zones.
 - **Improvement action:** the DCC is assessing suitable locations for additional sampling stations to be installed.

- Non-compliance with microbiological monitoring rules for not having a sufficient number and spatial distribution of water quality monitoring stations in 4 distribution zones.
 - **Improvement action:** the DCC is assessing suitable locations for additional sampling stations to be installed.

Drinking water compliance – future requirements

- The DCC does not anticipate substantial changes to drinking water regulatory requirements relevant to DCC supplies in the coming 5-10 year period. Based on the current drinking water compliance status and improvement actions outlined above, coupled with the broader investment programme outlined in this WSDP and the DCC's 9 Year Plan 2025-34, the DCC expects to achieve and maintain full compliance with drinking water regulatory requirements by 30 June 2028.

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

Dunedin's 9 Year Plan 2025-34 includes \$1.03B in capital expenditure for Three Waters services. This funding is targeted at the following areas to ensure the community receives fit for purpose services that meet its needs:

- Looking after our people and places, through projects supporting public health and environmental outcomes,
- Looking after what we have, by replacing and renewing our ageing infrastructure,
- Meeting our changing needs, through projects that respond to changes in growth and demand, regulation and standards, and customer expectations,
- Providing for infrastructure resilience, to ensure our assets can withstand and respond to extreme events and adapt to changes in the environment,
- Delivery on our city and DCC emissions reduction targeted by reducing our own emissions and supporting urban intensification to reduce city emissions, and
- Living within our means, making financially prudent choices that are affordable for our community

The 9 Year Plan 2025-34 and associated 30 Year Infrastructure Strategy 2025-2055 are informed by our Integrated System Plan, [*Water for Generations He Wai Mō Tātou, Ā, Mō Kā Uri Ā Muri Ake Nei*](#), developed in partnership with Mana whenua. *Water for Generations He Wai Mō Tātou* is a comprehensive and robust plan to keep our drinking water, wastewater and stormwater services reliable, safe and affordable, for the next 50 years and beyond, developed using physical investigations, complex modelling of our three waters infrastructure, technical data and input from our key stakeholders, Otago Regional Council and Taumata Arowai.

Core projects planned in the 10 years to 2033/34 and beyond:

- **Looking after what we have - renewals (\$512 million for the period 2024/25-2033/34, continues beyond 2034)** Renewals spending is significantly increased from previous Long Term Plans. Renewals work is being targeted in high risk areas and where possible, working with other DCC projects to enable efficiencies. Some of the projects below include this renewals funding.
- **Providing for growth (\$134 million in new capital funding for the period 2024/25-2033/34, continues beyond 2035)** Upgrades of infrastructure to service development provided for under existing District Plan rules, and to provide sufficient development capacity to meet expected demand for housing and business land over the short, medium and long term in accordance with our Future Development Strategy to meet the requirements of the National Policy Statement on Urban Development 2020.
- Water supply projects
 - **Port Chalmers water supply upgrade (\$19 million)** A project to upgrade the water main connecting Dunedin city and Port Chalmers is already underway. The upgraded connection will allow the DCC to decommission the Port Chalmers WTP and associated raw water storage dams, an expensive supply which operates seasonally only to support periods of high demand.
 - **Water efficiency - reducing network leakage and loss (\$22 million)** Reducing water leakage and loss is important for Dunedin’s sustainable water management and ensuring the long-term reliability of supply systems. To support this, the sectorisation of Dunedin into manageable District Metered Areas (DMAs) will allow for easier monitoring to determine where the highest water losses are. Longer term, this will allow for the implementation of smart networks with real-time data collection providing immediate feedback on potential leaks and system pressure issues. Through this network upgrades such as replacing ageing infrastructure can be more targeted, improving water efficiency through minimising leakage and loss.
 - **Mosgiel water supply improvements (\$14 million)** Mosgiel is growing, and demand for water is high. The pumped water connection from Mt Grand water treatment plant (WTP) has recently been upgraded to handle the demand in the short to medium term. An alternative gravity-supply route from the Southern WTP is proposed to feed Mosgiel. This will reduce our reliance on pumping treated water to Mosgiel, improving efficiency, reducing our carbon footprint and improving resilience.
 - **Water supply resilience: Waikouaiti, Outram and Dunedin city groundwater supplies investigation (\$21 million, with a further \$18 million beyond 2034)** Exploring new or alternative groundwater sources for Waikouaiti, Outram, and Dunedin city is a proactive step toward strengthening the region’s water resilience. Long-term modelling indicates that existing river intakes—currently the primary water sources for Dunedin, Mosgiel, Outram and Waikouaiti—may face capacity challenges in the future. Anticipated changes in legislation and resource consent requirements could also affect **water** take limits during low-flow conditions. By expanding the water supply network to include new groundwater sources, Dunedin will be better equipped to adapt to evolving consent conditions, droughts, and climate-related pressures—ensuring a reliable and sustainable water future for the community.
 - **Water supply resilience – Investigate and develop new raw and treated water storage locations (\$241 million)** - Dunedin is taking proactive steps to strengthen its water supply resilience by expanding raw water storage capacity. Currently, the city has around 14 days of storage, but future modelling suggests there could be extended periods—up to 60 days—when river water may be unavailable. To prepare for this, the Council plans to develop 30–60 days of strategic offline storage at

a remote location along the main raw water supply routes, such as a non-perennial stream or valley with minor diversions from Deep Stream and Deep Creek. A future study will also optimise service reservoir capacity to reduce outages and ensure consistent service for customers, even during dry conditions.

- **Water efficiency – Smart networks and renewal of domestic water connection infrastructure (\$41 million)** Renew existing domestic water connection ‘tobies’ with the modern equivalent smart meters, that allow tracking of consumption volume and time of use, similar to that used by the electricity industry. Smart metering enables rapid detection and resolution of leaks on customer connections and reduces water network loss. Smart metering allows for (but does not require) a user-pays system to be implemented in future.
- Wastewater projects
 - **Improving efficiency: Northern wastewater plant rationalisation (Waikouaiti, Seacliff, Warrington - \$102 million)** Construction of a new centralised wastewater treatment plant (WWTP) to manage flows from the Waikouaiti, Seacliff, and Warrington communities is planned. Consolidating the three rural WWTPs into one centralised facility will support capital efficiency by reducing maintenance costs, enhance plant efficiency, and streamline operational processes.
 - **Improving resilience: Musselburgh to Tahuna link (\$49 million)** The Musselburgh wastewater pump station and rising mains transports wastewater from approximately 65% of Dunedin city’s wastewater network directly to the Tahuna WWTP. Construction of a tunnelled gravity pipeline and a final lift station at the Tahuna WWTP is proposed to replace ageing and vulnerable infrastructure and improve network resilience in severe weather events, earthquakes and power outages.
 - **Improving network resilience and efficiency: decommission Mosgiel WWTP and pump to upgraded Green Island WWTP (\$43 million)** Currently, wastewater is pumped from Mosgiel to the Green Island WWTP for final treatment and disposal. Transitioning to direct pumping from Mosgiel to Green Island presents an opportunity to reduce maintenance and operating costs while improving both operational and capital efficiency. To support this, the Green Island WWTP will be upgraded to accommodate the increased treatment volume, ensuring reliable and sustainable wastewater management for the future.
 - **Improving resilience: Wet weather flow management (\$61 million)** Dunedin has launched a project to enhance wet weather flow management, starting with a comprehensive investigation to identify the most effective and cost-efficient solutions for key catchments. Priority areas such as Kaikorai Valley and Northeast Valley are currently limiting long-term growth and contributing to environmental and public health challenges. By exploring options like pipe upsizing, additional wastewater network storage, reducing inflow and infiltration, removing cross connections, and connecting catchments to the Green Island WWTP, the project aims to unlock growth potential and improve the resilience and performance of the city’s wastewater infrastructure.
 - **Improving resilience: Main Interceptor Sewer upgrade (\$26 million)** Renewal of approximately 4km of large diameter critical wastewater main carrying a large portion of the City’s wastewater flows from hill suburbs, and the CBD to Musselburgh pump station. Increasing capacity where necessary to accommodate growth.
 - **Carbon reduction: Bioresources facility (\$17 million, with a further \$45 million beyond 2034)** This funding will support the development of a bioresources facility in two stages. The first phase, to be completed by 2030, will enable the processing of 2,000 tonnes of biosolids per year. A second phase, planned for completion by 2042, will expand capacity to 10,000 tonnes annually. The facility will transform biosolids - a by-product of wastewater treatment—into valuable resources such as compost or renewable energy. This approach significantly reduces the volume of waste sent to landfill and lowers associated carbon emissions. It also supports broader sustainability goals by promoting resource recovery and aligning with circular economy principles. In addition to environmental benefits, the project will help meet regulatory requirements, respond to public expectations for responsible waste management, and reduce long-term operational costs through more efficient and sustainable practices.

- **Stormwater projects**
 - **South Dunedin flood alleviation (\$44 million)** South Dunedin is embracing a proactive approach to climate resilience, with targeted investments and long-term planning to safeguard the community. Three short-term projects, totalling \$29.2 million, are proposed to reduce flood risk and enhance protection against rising sea levels, increased rainfall, and groundwater levels. In parallel, the South Dunedin Future (SDF) programme is exploring a range of medium- to long-term adaptation strategies, including upgrades and enhancements to stormwater systems. The final shape of these future projects will be guided by the SDF adaptation plan, due in 2026, ensuring a well-informed and sustainable path forward.
 - **Mosgiel stormwater upgrades (\$10 million)** Comprehensive modelling has been completed to identify the most effective ways to reduce flood risk, optimised for cost and performance. Funding of \$5.9 million is provided in the three years to 2026/27 years for increasing pipeline capacity, with further projects proposed in later years.

The approved budgets for these projects are summarised in the table below. Refer to the table of significant capital projects in the *Additional Information* section for a full breakdown of capital expenditure.

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	0	7,231	7,135	6,458	3,349	4,108	4,183	4,530	6,732	8,216
Capital expenditure - to improve levels of services	7,164	15,519	17,828	16,828	10,844	12,547	13,910	14,524	18,582	12,672
Capital expenditure - to replace existing assets	20,483	19,531	26,447	15,512	10,127	10,750	16,499	19,573	29,597	41,369
Total projected investment for drinking water	27,647	42,281	51,410	38,798	24,320	27,405	34,592	38,627	54,911	62,257
Wastewater										
Capital expenditure - to meet additional demand	0	3,578	3,210	5,745	7,987	9,186	8,118	7,519	8,230	9,622
Capital expenditure - to improve levels of services	1,868	6,211	10,705	15,877	45,031	46,342	41,026	39,979	27,360	18,378
Capital expenditure - to replace existing assets	25,577	23,121	18,807	16,259	16,585	20,780	28,776	21,723	28,903	45,437
Total projected investment for wastewater	27,445	32,910	32,722	37,881	69,603	76,308	77,920	69,221	64,493	73,437
Stormwater										
Capital expenditure - to meet additional demand	0	1,946	966	1,322	1,867	2,512	2,043	1,691	2,932	4,207
Capital expenditure - to improve levels of services	5,224	3,182	1,963	9,043	9,138	9,409	2,999	2,390	6,488	6,615
Capital expenditure - to replace existing assets	5,675	6,804	5,056	3,789	1,743	3,082	4,354	2,794	7,019	15,548
Total projected investment for stormwater	10,899	11,932	7,985	14,154	12,748	15,003	9,396	6,875	16,439	26,370
Total projected investment in water services	65,991	87,123	92,117	90,833	106,671	118,716	121,908	114,723	135,843	162,064

Historical delivery against planned investment

Delivery against planned investment (\$'000s)	Renewals investment for water services				Total investment in water services			
	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total	FY2024/25	FY21/22 - FY23/24	FY18/19 - FY20/21	Total
Total planned investment	45,230	164,923	57,826	267,979	80,123	195,657	72,687	348,467
Total actual investment	51,735	209,080	71,412	332,227	66,022	239,991	80,570	386,583
Delivery against planned investment (%)	114.4%	126.8%	123.5%	124.0%	82.4%	122.7%	110.8%	110.9%

The capital programme set out in the 9 Year Plan 2025-34 is ambitious, reflecting the scale of investment required to maintain and improve Dunedin's water supply infrastructure. Historical data shows that actual investment has consistently exceeded planned investment across multiple periods, with delivery rates reaching up to 126.8% for renewals and 122.7% for total investment in the FY21/22–FY23/24 period. This demonstrates a strong commitment to delivering on the Long-Term Plan (LTP) and highlights the effectiveness of current delivery mechanisms.

Dunedin is committed to delivering its full programme of works each year, supported by strong planning and strategic partnerships. While factors such as contractor availability, supply chain challenges, and project complexity can occasionally affect timing and sequencing, overall investment levels remain strong. To ensure consistent and scalable delivery, long-term contracts are in place for network, treatment plant, and pump station capital works. These contracts provide a stable foundation for project execution and foster enduring partnerships, while also encouraging the growth of a competitive and capable contractor market to support future infrastructure needs.

For projects not yet under contract, early engagement with the market is being prioritised to ensure alignment, improve delivery readiness, and manage risk. This approach supports greater cost certainty, enhances delivery confidence, and contributes to the long-term resilience of the city's infrastructure supply chain.

Looking ahead, peaks in planned investment are anticipated in future years as part of the continued effort to upgrade and improve water services infrastructure. The Council is actively working to accommodate these peaks through strategic planning, enhanced project management capabilities, and ongoing collaboration with delivery partners. These steps are designed to ensure that future delivery remains aligned with the LTP and that the city's water services infrastructure continues to meet the needs of the community.

Part C Revenue and financing arrangements

Revenue and charging arrangements

Charging and billing arrangements

Revenue and Financing Policy

The Council has a Revenue and Financing Policy that outlines the funding of its operating and capital expenditure and the sources of those funds. The Council adopts a Revenue and Financing Policy prior to the adoption of every Long Term Plan. This is a two-step process:

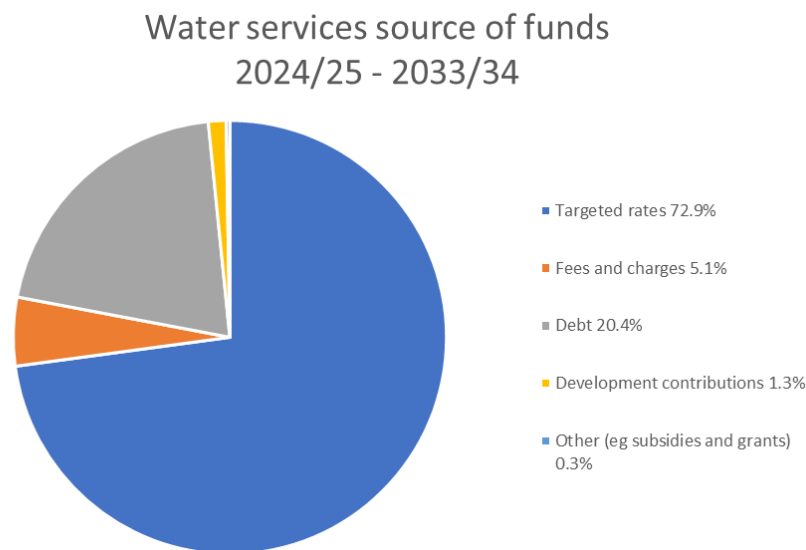
- 1 The first step is to consider each of the following in relation to each of the Council’s activities:
 - a) the community outcomes to which the activity primarily contributes
 - b) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals
 - c) the period in or over which those benefits are expected to occur
 - d) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity
 - e) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.
- 2 The second step requires the Council to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

The Council policy is:

- To fund operating expenditure based on the extent to which the provision of a service by the Council is a public or private good
- Debt may be used to fund capital expenditure, along with funded depreciation, capital grant revenue and development contributions. It may also be used to fund operating expenditure where the expenditure provides benefits to the community, such as community grants for assets, or where Council decides that it is financially prudent to do so.

Water Services Sources of Funds

The following graph demonstrates water services source of funds over the period of the WSDP.



Current Water Service Charges

At a summary level, the revenue sources for water services are described below.

1 Targeted Rates

This form of rate is used where an activity benefits an easily identifiable group of ratepayers and where it is appropriate that only this group be targeted to pay for some or all of a particular activity. The Council uses the following targeted rates for water services:

- a) Drainage (combined targeted rate for sewage disposal and stormwater)
- b) Commercial drainage – capital value
- c) Allanton Drainage
- d) Blanket Bay Drainage
- e) Curles Point Drainage
- f) Water – Ordinary
- g) Water – Volume
- h) Water – Quantity of Water (rating units with water meter or extraordinary water supply)
- i) Fire Protection (water supply for fire protection)

2 Fees and Charges

Fees and charges are direct charges to identifiable people or groups who use certain water services. In these instances, identifiable people benefit from those services, and they are required to pay all or part of the cost of that service. Fees and charges are reviewed annually to reflect increased costs of service provision and/or maintain the cost recovery principles underlying the setting of fees.

3 Development Contributions

Development contributions may be recovered from those persons undertaking development, the contribution being a fair, equitable and proportionate portion of the total cost of capital expenditure necessary to service growth over the long term.

4 Grants and Subsidies

Grants and subsidies are received from external agencies to support certain activities.

5 Vested Assets

With growth, land development and subdivision occur, developers construct new assets to service development, or replace existing assets with greater capacity. Once constructed and commissioned, these assets vest to Council to own and maintain.

The following table outlines how it is proposed to fund water services:

	2025-34 Policy	
	Rates Revenue %	Other Revenue %
Water Supply	80%	20%
Wastewater	98%	2%
Stormwater	99%	1%

A detailed description of the current water services charges and methodology is presented below:

Targeted Rates

Differential categories

The Council uses land use and provision or availability of services to differentiate the drainage rate and commercial drainage rate. The differential categories based on land use are Residential, Lifestyle, Farmland, Commercial, Stadium: 10,000+ Seat Capacity, Residential Heritage Bed and Breakfasts, Residential Institutions, Churches and Schools. The differential categories based on provision or availability of service are Connected and Serviceable.

The Council uses land use to differentiate the fire protection rate. The differential categories based on land use are Residential, Lifestyle, Farmland, Commercial, Stadium: 10,000+ Seat Capacity and Residential Heritage Bed and Breakfasts.

The Council uses the provision or availability of service to differentiate the water rates. The differential categories are connected or serviceable.

2025/26 Rates

The table below provides a summary of water services targeted rates (including GST) for the 2025/26 year.

	Basis of Rate ¹	Rate ² \$	Rate Collected \$'000
Drainage			
Fixed Charge			
Residential, Lifestyle, Farmland ³	suip	884.40	44,187
Commercial, Residential Institutions, Schools ³	ru	884.40	2,528
Churches	ru	102.25	12
Rate in Dollar of CV			
Commercial, Residential Institutions ³	cv	0.3018	22,331
Schools ³	cv	0.2264	1,074
Stadium 10,000+ Seat Capacity	cv	0.0206	51
Total Drainage			70,183
Water			
Fixed Charge			
Residential, Lifestyle, Farmland ³	Suip/unit	671.80	34,921
Fire Protection	suip	201.54	42
Fire Protection, Rate in Dollar of CV			
Commercial	cv	0.0860	6,875
Residential Institutions	cv	0.0645	517
Stadium 10,000+ Seat Capacity	cv	0.0084	21
Total Water			42,376
Other Targeted Rates			
Allanton Drainage	suip	411.00	21
Blanket Bay Drainage	suip	636.00	1
Curles Point Drainage	suip	749.00	1
Total Other Targeted Rates			23
Total Water Services Targeted Rates			112,582

¹ cv: capital value, suip: separately used or inhabited part of a rating unit, ru: rating unit

² Fixed charge unless specified as a rate in the dollar

³ Charges are reduced to 50% where a property is not connected/supplied but is capable of being connected/supplied

Drainage Rates

Wastewater and stormwater services are funded from three sources, a fixed charge, a capital value (CV) based rate paid by commercial properties and residential institutions, and by trade waste charges.

The drainage rates are a combined targeted rate for wastewater disposal and stormwater. At 30 June 2025, wastewater disposal makes up 78% of the drainage rate, and stormwater makes up 22%.

The drainage fixed charge is currently assessed on the following basis:

- For residential, lifestyle and farmland properties per separately used or inhabited part of a property that is connected to the drainage system

- b) For commercial properties and residential institutions per rating unit that is connected to the drainage system.

The fixed charge is reduced by 50% when the rating unit is not connected to the drainage system but is capable of being connected. Non-rateable land will not be liable for the stormwater component of the drainage targeted rate. Rates demands for the drainage targeted rate for non-rateable land will therefore be charged at 78%.

Commercial properties and residential institutions pay an additional rate in the dollar based on the CV of their property. The Council provides a discount of 25% on this rate for schools. In addition, commercial and industrial users who make the heaviest demand on Council's waste services are separately charged Trade Waste Charges through negotiated contracts.

Rating units used for places of religious worship are excluded from paying the above drainage rates. Instead, they pay a reduced fixed charge per rating unit.

A targeted rate for rating units within the Allanton area is to pay the capital contribution towards the Allanton Wastewater Collection System over 20 years. Liability for the rate is based on the provision of service to each rating unit and ends in 2031.

Targeted rates for rating units within the Blanket Bay and Curles Point areas that are paying the capital contribution towards the Blanket Bay and Curles Point drainage system, as targeted rates over 20 years. Liability for the rates is based on the provision of the service to each rating unit and ends in 2032.

Water Rates

The water rate is collected in two parts, a fixed charge (which collects 82.5% of the total water rate) and a fire protection rate. Commercial properties pay for water consumption by water meter.

The water fixed charge is calculated after subtracting the amount of water funding to be collected from commercial properties for fire protection (typically 17.5% of water funding by rates).

Each separately used or inhabited part of a property receiving an "ordinary supply" of water is charged the water fixed charge. In practice almost all residential properties which are connected to the water supply, pay a fixed charge.

The fixed charge is reduced by 50% where a rating unit is not supplied but is capable of being supplied by the water supply system. Rating units which are not connected, and which are not serviceable, will not be liable for this charge.

The fixed charge on some properties for water supply is charged per unit of water. The charge per unit of water is always set to be the same as the domestic fixed charge.

The water fire protection rate is levied in two ways. For commercial properties and residential institutions, it is levied on capital value (the fire protection rate). For residential, lifestyle or farmland properties on water meters, it is levied as a fixed charge (the fire protection water supply charge). This charge represents the value of the service of providing the availability of water, at the appropriate pressure, for fire protection.

Fees and Charges

Water Services fees and charges include trade waste, meter rentals, water consumption, private construction recoveries, consulting, tanker waste and backflow charges. Fees and charges are set in the Long Term Plan or respective Annual Plan and in the future Water Services Strategy.

The table below outlines the water services fees and charges (including GST) for 2025/26 financial year.

Wastewater Fees \$	
City Wide Unit Rates	
BOD5 per kg	0.23
NFR/TSS per kg	0.42
Volume per cubic metre	0.16
Consent Applications, Compliance Monitoring, Re-inspection & Consent Breaches	
Annual Fee	218.27
Consent Application Fee for minor discharge with pre-treatment (Category B)	437.77
Consent Application Fee for significant industry and major discharges (Category A)	1,324.37
Laboratory - variable cost	
Staff per hour	145.53
Tankered Waste Charges per tonne	42.64
Network Contributions for a Sewer Connection	
Where there has been no prior contribution to the existing network there will be a standard Network Contribution fee for all the Dunedin City Council areas	5,779.34

Water Supply Fees \$	
Annual supply charge (meter rental)	
100mm nominal diameter	796.98
150mm nominal diameter	1,145.58
20mm nominal diameter	186.93
25mm nominal diameter	239.98
300mm nominal diameter	1,486.60
30mm nominal diameter	266.51
40mm nominal diameter	301.86
50mm nominal diameter	611.32
80mm nominal diameter	755.30
Re-connection Fee: Includes the removal of water restrictors installed due to non-compliance of the water bylaw	520.98
Special Reading Fee	70.80
Water Filling Station – Annual access supply charge (per key)	740.15
Backflow Prevention Programme	
Backflow Preventer Test Fee	147.94
Backflow programme – Incomplete Application Fees (hourly rate)	51.94
Rescheduled Backflow Preventer Test Fee	88.30
Central Water Scheme Tariff for water sold by meter	
Bulk Raw Water Tariff to: Merton, Hindon, and individual farm supplies (per cubic metre) - Central Water Scheme Tariff for water sold by meter	0.15
Treated water per cubic metre - Central Water Scheme Tariff for water sold by meter	2.55
Network Contributions	
Disconnection of water supply - DCC contractor to excavate	1,136.73
Disconnection of water supply- AWSCI to excavate	290.12
Where there has been no prior contribution to the existing network there will be a standard Network Contribution fee for all the Dunedin City Council areas	5,611.01

Development Contributions

The Council is planning investment in assets and services, and assets of greater capacity, to meet the demands of growth. The Council's Development Contributions Policy provides a transparent and consistent basis for requiring contributions from developers towards the capital expenditure incurred to provide for growth.

The Development Contributions Policy provides for "areas of benefit". They are defined geographical areas with separate development contribution charges. The areas of benefit reflect the cost of providing assets specific to those areas, based on the nature of the works required.

Development contributions may be levied at resource consent, land use consent or building consent stages.

Development contribution charges are reviewed and updated as part the development of Council's Long Term Plans. Charges are amended to reflect any changes in growth projections and required investment in growth infrastructure by areas of benefit.

Council may cap charges for areas of benefit that are more expensive to service with infrastructure, and / or have lower levels of expected growth over which to spread the costs. Council may also, because of a review of charges, phase in significant increases in charges for any area of benefit, over a period of up to three years.

Water supply, wastewater and stormwater development contributions

The DCC uses scheme boundaries to define areas of benefit for water supply and wastewater supply. While stormwater has a single city-wide area of benefit, there are small areas within the city boundary that are not subject to development contribution charges.

All developments within an area of benefit that are intended and able to be serviced by water supply and/ or wastewater are required to connect to those services, and the Council will charge the relevant development contribution.

Future Water Service Charges

It is proposed that the Council will continue with the current methodologies outlined above for water service fees and charges. However, the charging method could be reviewed over time and updated.

The council will also continue to set and collect appropriate fees and charges under the Water Services Strategy and annual budget setting and in compliance with any economic regulation and consumer protection requirements set by the Commerce Commission.

As part of the WSDP implementation a review of fees and charges is proposed to ensure they are appropriate, and costs are being adequately recovered.

Council acknowledges the intended introduction of development levies, replacing the development contributions framework. This will be progressed through a Local Government (Infrastructure Funding) Bill expected in September 2025. No changes have been made to the projected growth revenue from Development Contributions within this WSDP on the assumption that, once introduced, development levies will return a similar level of funding for growth related infrastructure.

In the occurrence of delayed rates payments and rate penalties, any penalty payments will be prorated to represent the Water Service portion.

Separation of water revenue from other council functions

The Council's current finance system is capable of capturing and reporting on all aspects of water services financials and the finance team is currently planning what processes will be put in place to ensure compliance with the ringfencing requirements. This includes recruitment of additional accounting resource. Increased resource for separation has been built into the Council's 9 Year Plan 2025-34.

A separate financial ledger will be established for water services, to ensure that financial ringfencing requirements are met. This separate ledger will also include a separate statement of financial position.

There will be a full review of the internal charging methodology for allocating corporate costs between water services and non-water services to ensure robustness. Appropriate cost accounting methodology will be considered where other council services are utilised.

Separate borrowing arrangements will also be established for water services to demonstrate separation of funding between water services and non-water services.

Having a separate financial ledger, ensuring that debt is clearly separated through the formal borrowing arrangements and internal charging is robust will allow for the appropriate amount of revenue to be set to ensure ring-fencing, financial reporting requirements and economic regulation is met.

Water services revenue requirements and sources

The following table summarises the revenue requirements for water services. Total revenue required in the 2024/25 year was budgeted at \$96 million and increases to \$201 million, a 109% increase over the 10 years.

Revenue required (\$'000s)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Targeted Rates	85,129	97,896	112,606	129,574	137,293	149,682	159,580	168,436	177,166	186,646
Fees and Charges	7,629	8,748	9,116	9,480	9,840	10,175	10,480	10,774	11,021	11,275
Subsidies and Grants	916	2,354	1,613	41	42	43	44	45	46	47
Development Contributions	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559
Total	96,233	111,557	125,894	141,654	149,734	162,459	172,663	181,814	190,792	200,527

**Note: these schedules exclude vested assets*

The period from 2025/26 to 2027/28 provides for 15% per annum targeted water services rate increases to ensure that all depreciation is funded by operating revenues. From the 2027/28 year onwards total operating funding is sufficient to cover all operating costs and complies with financial sustainability measures, including revenue sufficiency.

The following tables provide a more detailed breakdown of each revenue source:

Targeted Rates Revenue (\$'000s)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Water Supply	32,045	36,852	44,164	51,156	53,899	56,981	59,071	61,403	64,126	67,622
Drainage	41,371	47,577	51,830	57,963	61,738	69,478	76,199	82,295	87,795	92,570
Stormwater	11,692	13,446	16,591	20,434	21,635	23,202	24,289	24,736	25,245	26,454
Allanton Drainage	19	19	19	19	19	19	19	0	0	0
Blanket Bay Drainage	1	1	1	1	1	1	1	1	0	0
Curles Point Drainage	1	1	1	1	1	1	1	1	0	0
Total	85,129	97,896	112,606	129,574	137,293	149,682	159,580	168,436	177,166	186,646

Fees and Charges Revenue (\$'000s)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Allanton Drainage Joining Fees	60	40	42	43	45	47	48	49	50	52
Backflow Charge	70	93	96	100	104	108	111	114	117	119
Consultancy Fees	75	75	78	81	84	87	90	92	94	97
Contractor Damage Recovery	50	53	55	57	59	61	63	65	66	68
Electricity Sales	68	48	50	52	54	56	58	59	60	62
LIM Fees	10	10	10	11	11	12	12	12	13	13
Meter Rentals	700	735	766	797	827	855	881	905	926	947
Metered Water Consumption	5,662	6,512	6,785	7,057	7,325	7,574	7,801	8,020	8,204	8,393
Scrap Metal Recoveries	5	5	5	5	6	6	6	6	6	6
Sewer Connection Fees	100	105	109	114	118	122	126	129	132	135
Stormwater Connection Fees	40	42	44	46	47	49	50	52	53	54
Sundry Revenue	260	272	283	295	306	316	326	335	343	351
Tanker Waste Charges	0	230	240	249	259	268	276	283	290	296
Trade Waste Charges	529	528	553	573	595	614	632	653	667	682
Total	7,629	8,748	9,116	9,480	9,840	10,175	10,480	10,774	11,021	11,275

Subsidies and Grants Revenue (\$'000s)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
NZTA Operating Subsidy	41	38	39	41	42	43	44	45	46	47
Other Govt Operational Grants	635	1,988	1,400	0	0	0	0	0	0	0
Other Govt Capital Grants	240	328	174	0	0	0	0	0	0	0
Total	916	2,354	1,613	41	42	43	44	45	46	47

Development Contributions Revenue (\$'000s)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Water Supply	819	819	819	819	819	819	819	819	819	819
Wastewater	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090
Stormwater	650	650	650	650	650	650	650	650	650	650
Total	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559

Existing and projected commercial and industrial users' charges

1 Residential/Household Charges

The charging methodology for residential/household consumers is outlined in the previous section. For the purposes of demonstrating the “per household” charge it is assumed that a typical residential property receiving water services represents one separately used or inhabited part of a property. To summarise, for a typical residential household there are two fixed targeted rates for water services, one for water supply and one for drainage (which includes both wastewater and stormwater). In the 2025/26 year the charges are \$672 (incl. GST) for water and \$884 (incl. GST) for drainage. Rates are set annually and invoiced on a quarterly instalment basis.

The below table provides the projected household/residential charge over the 10-year period. This is based on the current method of charging and is inclusive of GST.

Residential/Household Charges \$	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Water Supply	590	672	800	919	961	1,008	1,037	1,070	1,109	1,160
Drainage	776	884	984	1,118	1,180	1,302	1,401	1,481	1,553	1,622
Total	1,366	1,556	1,784	2,037	2,141	2,310	2,438	2,551	2,662	2,782

2 Non-Residential Charges

The charging methodology for non-residential consumers is outlined in the previous section. To summarise, non-residential consumers are charged a fixed drainage rate, a drainage rate and a fire protection rate based on capital value and pay for water usage based on water consumption. Rates are set annually and invoiced on a quarterly instalment basis and water consumption is invoiced either monthly or quarterly depending on connection type.

The below tables provides the projected non-residential charges over the 10 year period for three sample properties with different capital values. All figures inclusive of GST.

Sample of Non-Residential Water Supply and Drainage Rates (incl. GST)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Capital Value:										
\$ 690,000	3,134	3,560	4,036	4,629	4,908	5,403	5,807	6,153	6,476	6,810
\$ 2,164,680	8,175	9,279	10,558	12,134	12,876	14,169	15,225	16,138	17,000	17,898
\$ 6,740,000	23,813	27,022	30,795	35,418	37,597	41,365	44,443	47,118	49,649	52,300

As outlined, non-residential customers pay targeted rates and are invoiced separately for the metered consumption of water supply. The below table provides the projected average charge of metered water supply consumption. All figures include GST.

Average Charge of Metered Water Supply Consumption (incl. GST)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Number of meters	4,352	4,382	4,413	4,444	4,475	4,506	4,538	4,570	4,602	4,634
Water meter revenue incl. GST (\$'000)	6,511	7,489	7,803	8,116	8,424	8,710	8,971	9,223	9,435	9,652
Average water sales charge (\$)	1,496	1,709	1,768	1,826	1,882	1,933	1,977	2,018	2,050	2,083

The affordability of projected water services charges for communities

The Council has considered and consulted on the future cost impact of water services. Affordability of water services has been considered in the development of this WSDP and prior to this plan in the Council's 9-year plan (2025-34).

The investment programme required to maintain, grow and improve levels of service is significant and needs capital expenditure of \$1.1 billion over the 10 years modelled. This does come at a cost to the ratepayer, but this is necessary to ensure the city's future compliance with service and regulations.

The Infrastructure Strategy adopted by Council notes that the budget for water services capital investment aims to maintain affordability for ratepayers as far as possible, while endeavouring to meet the needs of the community, through a long-term programme that continues to improve infrastructure performance and asset management. It recognises the competing tensions of affordability, maintaining assets and investing for the future, while addressing the financial challenges of increasing costs, delivering large capital projects, and increasing network renewals.

The Infrastructure Strategy recognises a deficit in water services infrastructure renewals expenditure and replacement of ageing infrastructure. A renewals budget has been developed to proactively reduce and remove the renewals deficit in the water services network across the term of the Infrastructure Strategy. In addressing the renewals backlog, Council seeks to balance asset risk in a pragmatic and affordable way. The planned 30 years phased approach means that there will be a modest reduction in the total backlog (approximately 4%), over the life of the WSDP and the Council's 9 Year Plan.

The table below shows the projected water service charge per percentage of household income in 2024/25 which is 1.3% (calculated by taking the household charge of \$1,366 in 2024/25 divided by the average household income (\$107,628 in 2024/25). In 2033/34 the percentage increases to 2.2%, reflecting the cost of water services increasing at a higher rate than the household income (which is based on CPI). The overall average water service charge per percentage of household income is within accepted national and international standards.

Projected average household charge per connection (incl. GST)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Water Supply	590	672	800	919	961	1,008	1,037	1,070	1,109	1,160
Drainage	776	884	984	1,118	1,180	1,302	1,401	1,481	1,553	1,622
Total Charge	1,366	1,556	1,784	2,037	2,141	2,310	2,438	2,551	2,662	2,782
Increase (%)	10.5%	13.9%	14.6%	14.2%	5.1%	7.9%	5.6%	4.6%	4.3%	4.5%
Charge as a percentage of median household income	1.3%	1.4%	1.6%	1.8%	1.8%	1.9%	2.0%	2.1%	2.1%	2.2%

Funding and financing arrangements

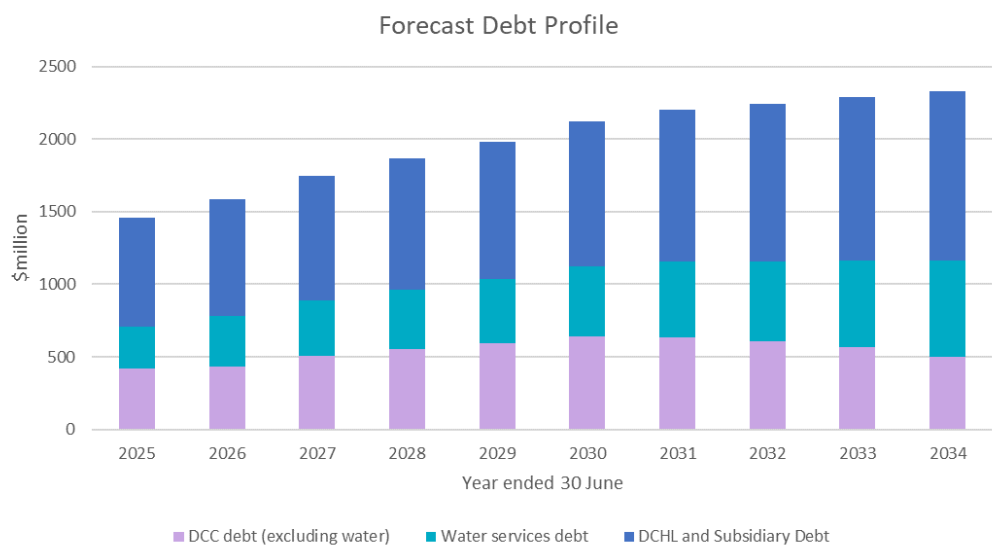
Water services financing requirements and sources

Overview of Borrowing Structure

Dunedin City Council owns Dunedin City Holdings Limited (DCHL) which in turn owns a number of subsidiary companies including Dunedin City Treasury Limited (DCTL) and Aurora Energy Limited. DCTL provides funding and financial services to all entities in the group. The principal role of DCTL is to fund the group (including Council) and to identify and manage financial risks. The use of a single, centralised treasury function has maximised financial efficiency and effectiveness. Through the accumulation of group funds, interest rates are being achieved which might not have been otherwise possible.

Total DCC Group debt was \$1.4 billion at 30 June 2025, and is forecast to be \$2.3 billion by 30 June 2034.

The following graph demonstrates the DCC Group debt profile.



Borrowing Arrangements

The Treasury Risk Management Policy for the Council also applies to DCHL and all subsidiaries owned by the Council. It is the basis for the risk management parameters within the Council's Liability Management. The entities that the Policy document applies to are collectively called the Dunedin City Council Group ("DCC Group"). The Policy is the sole Treasury Risk Management Policy within the Group. It is prepared by DCTL and is approved by Council.

The purpose of the Treasury Risk Management Policy is to set out a prudential framework for the identification, quantification, assessment, and management of all financial market risks associated with the Borrowing, Investment, Foreign Exchange and Commodity exposures faced by the DCC Group.

The Council has set in place a financial structure to allow effective financial management of its activities on a sound commercial basis. This structure consists of several companies which are independently managed through Boards of Directors. Notwithstanding this corporate structure, the benefits of a centralised approach to treasury management have been recognised. The Policy provides a framework for treasury management by the DCC Group.

DCTL provides all funding to DCC Group entities. DCTL is the sole borrowing entity and it manages interest rate risk for the Group. All funding provided by DCTL is on a fixed or floating rate basis. The interest rate charged to the DCC Group entity will be calculated by DCTL after considering the actual expected cost of funds of DCTL.

LGFA Funding and Debt Limits

DCTL may borrow from the Local Government Funding Agency ("LGFA") and, in doing so, the Council and or the DCC Group must comply with all relevant financial covenants/ratios of the LGFA as follows:

Financial Covenant Foundation Policy Covenant:

- Net Debt / Total Revenue <280%
- Net Interest / Total Revenue <20%
- Net Interest / Annual Rates Income <30%
- Liquidity >110%

LGFA Alternative Net Debt to Total Revenue Foundation Policy Covenant for the financial years to 2025:

- Net Debt/ Total Revenue <285%

Uncalled Capital

The assets of Aurora Energy Limited, DCTL and DCHL – including its uncalled share capital – are included in the DCC Group's existing Debenture Agreement (which underpins all DCC Group debt). The Debenture Agreement outlines the specific details of the security which investors in DCTL securities have.

DCHL has \$1.6 billion of uncalled capital with the Council. This is represented by shares, which have been issued by DCHL to the Council, which are currently unpaid. DCTL is permitted to issue debt securities up to the amount of \$1.6 billion, the amount of uncalled capital which DCHL has with the Council. Following adoption of the Council's 9 year plan 2025-34 and agreement of the 2025/26 Statements of Intent of DCHL and its subsidiary and associate companies, the Council is in the process of increasing the level of DCHL uncalled share capital to \$1.9 billion. This is because the current DCC Group borrowing arrangements require the level of DCHL uncalled share capital to be greater than DCC Group debt.

The increase in debt is primarily driven by the planned capital expenditure programmes for Aurora Energy Limited, and the Council including water services as set out in the approved 9 year plan 2025-2034. The level of uncalled capital will be increased in future years as required. It will be reviewed again in July 2027, following adoption of the next 10 year plan and Water Services Strategy. It has been a long-standing practice of DCC to increase the level of uncalled capital to cover the statement of intent period only.

Council Debt Limit

In addition to the LGFA and uncalled capital limits, the Council has Financial Strategy limits. These are set out in the approved 9 year plan 2025-2034. Council's debt limit is a variable amount that is calculated as a percentage of revenue. The gross debt limit is set as 250% of revenue excluding investment property gains. This debt limit allows flexibility to deliver the planned capital expenditure programme, while also having capacity to fund potential unplanned events.

Water Services Debt Limit

Further to the above limits, there is also a self-imposed gross debt limit for water services debt set at 400% of water services revenue. This limit of 400% reflects the level of water services debt required to complete the required investment.

The 400% limit provides for the amount of debt required to complete the capital programme and headroom in case of unforeseen events. Council will need to ensure that if water services debt reaches 400% that the Council doesn't breach the overall 280% Financial Strategy limit. The 400% water services debt limit is an internal measure.

Managing Interest Rate Risk

Interest rate risk management has the objective of managing the Council's interest rate exposures to:

- Give a sufficient level of certainty to the Council's funding costs while, at the same time, allowing the Council to participate if interest rates move favourably.
- Control variations in interest expense for the debt portfolio from year to year, taking into consideration relevant budgetary assumptions.

Interest rate risk is managed by implementing the following:

- Annual forecasts of long term debt are to be provided to DCTL by each member of the DCC Group and are updated on a regular basis.
- DCTL maintains an approved debt interest rate reset profile within the profile detailed below. Fixed rate debt is defined as having a re-pricing or rollover date of more than 12 months into the future.
- The hedging limits apply to forecast debt as identified on an annual basis, with the limits outlined below:

Period ¹	Fixed Rate Maturity Profile Limit		
	Minimum Cover	Mid-Point Cover	Maximum Cover
0-2 years	40%	70%	100%
3-5 years	20%	50%	80%
6-10 years	0%	30%	60%
11-15 years	0%	17%	35% ¹

¹ Interest rate hedging can extend beyond 10 years to a maximum of 15 years with DCTL Board approval.

- All interest rate hedges are entered into by DCTL with external counterparties. All external counterparties are large New Zealand financial institutions with strong credit ratings.
- Interest rate hedging instruments are designated as effective hedges and are held in hedge accounting relationships.
- DCTL reports on compliance with the above hedging limits on a monthly basis to the DCTL Board. Compliance with the above hedging limits is also reported to the Audit and Risk Committee.
- The Treasury Risk Management Policy outlines specific actions that are to be followed should there be a breach of Policy at any time.

Managing Liquidity and Funding Risk

1 Liquidity Risk

Liquidity and funding risk management is associated with ensuring the availability of sufficient funds to meet the DCC Group's financial commitments in a timely manner. It is also associated with planning for unforeseen events which may curtail cash flows and cause pressure on liquidity. These risks include:

- An unplanned reduction in revenue thus reducing cash receipts
- Unexpected business disruption
- Unplanned capital or operating expenditures
- External market liquidity.

To manage liquidity risk the DCC Group must maintain committed funding facilities with New Zealand Registered Banks or from the capital markets or using funds on deposit with a New Zealand Registered Bank or with authorised fixed interest investments at a minimum level of 10% of the projected peak debt total over the ensuing 12 month period.

DCTL will use committed funding lines to meet its liquidity requirements. In addition, DCTL will ensure that facilities are of sufficient size to also cover forecasted incremental term debt issuance.

2 Funding Risk

Funding risk is the risk to the DCC Group of not being able to re-finance or raise new debt at a future time at competitive rates, fees and borrowing margins, and terms.

A key factor of funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any unforeseen events occur, DCTL has limited exposure to facilities rolling over at that inopportune time.

The DCC Group aims to manage this risk by having its funding facilities spread over a reasonable period of years and from a range of funding sources.

To spread this risk, it is prudent to have the total debt spread so that there is a maximum amount maturing in any 12-month period.

The policy control in relation to funding risk is:

- i. No more than \$450 million can mature on a rolling 12 month basis, and
- ii. Target at least 20% of total debt with a maturity greater than five years (but no more than 12 years without DCC approval). The aim is to have a good spread of maturities across a multiyear horizon.

Monitoring and reporting on Debt

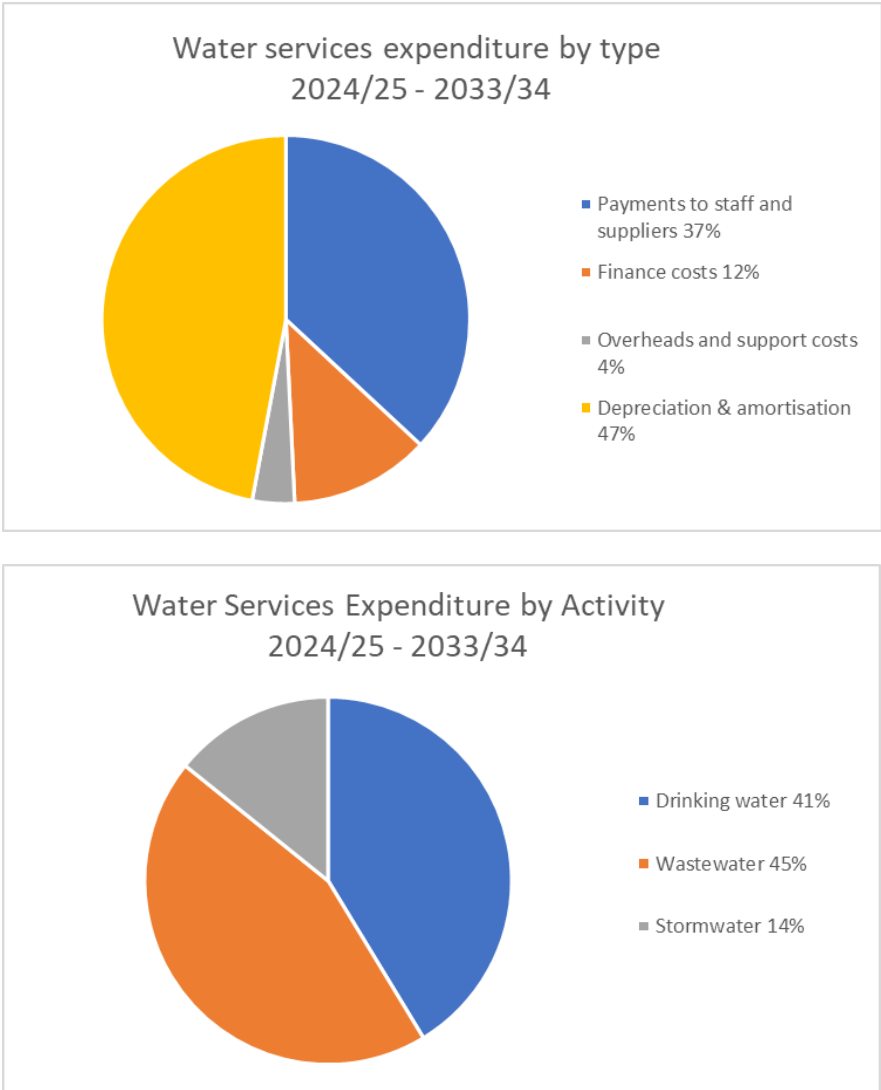
Management reports for the DCTL Board are produced monthly providing information on compliance with Treasury Risk Management Policy parameters. It will include details of any exception to the policy.

Credit rating agencies take into account matters relating to debt and expenditure against revenue, liquidity and credit risk. As Council borrows more, revenues will need to increase to ensure council remains financially sustainable. DCC and DCTL have a Standard and Poor's credit rating at March 2025 of AA- with a negative outlook. Credit rating is assessed annually with our current credit rating agency being Standard & Poor's.

Financial Strategy for Water Services

Operating expenditure

The graphs below show forecast water services operating expenditure of \$1.568 billion over the 10 years of this plan by expenditure type and by water services activity.



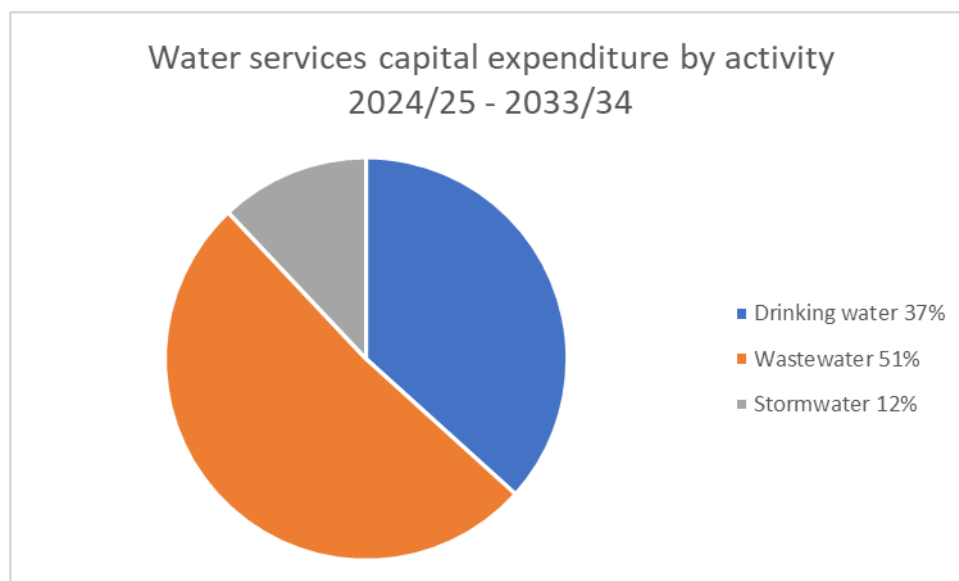
- Previous sections of this WSDP outlined initiatives underway that will ensure compliance with legislative requirements and achieve operational efficiency. These include:
- a review of the water services operating model
 - an operating cost reduction initiative
 - collaboration with Christchurch City Council, investigating the potential for any shared services arrangements.

Capital Expenditure

Section B of this WSDP outlines the capital expenditure required to deliver water services and ensure compliance with regulatory requirements. As indicated, DCC's 9 Year Plan 2025-34 includes an ambitious capital expenditure programme for water services which reflects the scale of investment required to maintain and improve Dunedin's water services infrastructure.

Section B of this WSDP also demonstrates a strong commitment to delivering on the capital programme, highlighted by the effectiveness of current delivery mechanisms. Historic delivery against planned investment shows that the DCC has consistently exceeded planned investment in the 2021/22 to 2023/24 period.

The graph below shows forecast water services capital expenditure of \$1.095 billion over the 10 year period of the WSDP.



Balanced Budget

Council aims to ensure a balanced budget and ensure everyday costs of running the city can be funded from the everyday revenue (excluding any non-recurring/non-cash items) consistently by the end of Year 3 of the 9 Year Plan.

The revaluation of water services infrastructure assets in 2022/23 resulted in a significant increase in depreciation. Since this time Council has run an operating deficit budget. The WSDP and 9 year plan provides for Council achieving an operating surplus for water services by the 2027/28 year.

In the 2025/26 and 2026/27 years, there is unfunded depreciation in water services activities. From the 2027/28 year onwards, depreciation is fully funded. Details of the funded depreciation for water services are as follows:

- Water supply – 73% of depreciation is funded in year 1, 92% of depreciation is funded in year 2, and then depreciation is fully funded.
- Wastewater – 82% of depreciation is funded in year 1, 93% of depreciation is funded in year 2, and then depreciation is fully funded.
- Stormwater - 62% of depreciation is funded in year 1, 85% of depreciation is funded in year 2, and then depreciation is fully funded.

The proposed rates increases include an increase of 15% for water services targeted rates each year for the 2025/26 and 2026/27 years, as Council work towards having the cost of providing water services fully funded.

Debt

Council plans to fund all operating expenditure from sources other than debt, unless where Council decides it is prudent to do so.

The use of debt allows the financial burden of new capital expenditure to be spread across a number of financial years, recognising that the expenditure is on intergenerational assets, i.e., the assets have a long life and generate benefits both now and to future generations. This means that future users pay their fair share of the cost of the asset.

Debt is also used to fund the portion of capital renewals that is not covered by funded depreciation. This methodology is consistent with Council's 9 year plan 2025-2034.

Debt limits outlined above include a DCC Group limit for uncalled capital, LGFA limits for DCC and the DCC Group and DCC self-imposed limits for total Council and water services. Over the period of the WSDP, debt required to fund the

planned capital investment does not reach the debt limits imposed by LGFA or Council. The uncalled capital will be reviewed regularly and increased in advance of when it is required. The next review is expected to be in July 2027.

The Council has significant liquid assets and investments to provide a partial offset to gross debt. As at 30 June 2024, these included the Waipori Fund (a diversified investment portfolio comprising both fixed interest deposits and equity investments) of \$103.2 million, an investment property portfolio of \$110.4 million, and a Dunedin City Holdings Ltd interest-bearing shareholder advance of \$112.0 million.

Rates

The Council recognises that while rates need to be at an affordable level overall, it also needs to balance affordability with increasing costs of delivering core services, which include water services. Rates are a key source of funding. The challenge is balancing rate increases required to deliver the services with affordability. The Council has Financial Strategy limits for rates. Council intends to accommodate water services rate increases within the overall Council limits. Noting that proposed rate increases in water services of 15% per annum are required in the 2025/26 to 2027/28 years to ensure a balanced budget for 2027/28 year. Proposed rate increases for water services from then onwards will be at a level that ensures a balanced budget is maintained. Council rate increase limits are set out in the approved 9 year plan 2025-2034 and are a set percentage increase for each year.

Financial Strategy Limits

(\$'000s)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Debt (Whole of Council)										
Debt Forecast	662,173	783,173	887,239	960,368	1,035,207	1,125,448	1,159,801	1,155,831	1,164,363	1,164,920
Debt Limit (at 250% of revenue)	931,310	1,025,575	1,088,528	1,176,745	1,250,633	1,318,120	1,389,710	1,459,710	1,528,165	1,601,640
Total Revenue	372,524	410,230	435,411	470,698	500,253	527,248	555,884	583,884	611,266	640,656
Debt Limit (at 250% of revenue)	178%	191%	204%	204%	207%	213%	209%	198%	190%	182%
Debt (Water Services Only)										
Debt Forecast (Net Debt)	263,038	304,194	340,293	362,287	396,358	438,428	479,110	508,449	554,911	623,658
Debt Limit (at 400% of revenue)	373,736	434,680	492,640	556,380	588,700	639,600	680,416	717,016	752,932	791,872
Total Revenue	93,434	108,670	123,160	139,095	147,175	159,900	170,104	179,254	188,233	197,968
Debt Limit (at 400% of revenue)	282%	280%	276%	260%	269%	274%	282%	284%	295%	315%
Rates (Whole of Council)										
Rates Revenue	239,021	264,596	293,436	325,423	351,128	372,879	397,105	420,944	445,376	471,194
Rates Limit	216,576	267,704	299,828	335,807	362,672	388,059	415,223	440,136	466,544	494,537
Rates Increase Forecast	17.5%	10.7%	10.9%	10.9%	7.9%	6.2%	6.5%	6.0%	5.8%	5.8%
Rates Increase Limit	6.5%	12.0%	12.0%	12.0%	8.0%	7.0%	7.0%	6.0%	6.0%	6.0%
Rates (Water Services Only)										
Rates Revenue	85,129	97,896	112,606	129,574	137,293	149,682	159,580	168,435	177,166	186,646
Rates Increase Forecast	15.0%	15.0%	15.0%	15.0%	6.0%	9.0%	6.6%	5.5%	5.2%	5.4%
Operating Surplus (Whole of Council)										
Surplus/ (deficit)	(28,585)	0	2,584	14,640	23,313	20,467	14,942	32,501	46,124	60,899
Operating Surplus (Water Services Only)										
Surplus/ (deficit)	(29,808)	(16,040)	(6,895)	2,559	2,559	2,559	2,559	2,559	2,559	2,559

Projected Borrowings

At 30 June 2024 total Council debt was \$590 million, combining \$241 million of water services debt and \$349 million of non-water services debt. Over the 9 year plan, water services debt increases by \$360 million to \$625 million in year 2033/34. This borrowing reflects the debt funding required to deliver the level of capital investment. As discussed above, the debt limits are assessed at a number of levels including DCC group, Council and water services. Forecast borrowings are within all relevant debt limits as outlined above.

Working Capital

Using the services of DCTL ensures that required funding is available to Council on a day-to-day basis. The facilities available allow immediate drawdown of funds on request, as long as they are within financial strategy limits and within the limits set out during the Annual Plan/Long Term Plan and water services plan process.

Debt Repayment

The Council is developing a debt repayment policy which will be considered as part of the 2026/27 Annual Plan process. This will incorporate a debt repayment policy for water services.

Internal borrowing arrangements

Debt is provided by DCTL and allocated directly to each activity of Council (including water supply, wastewater and stormwater) based on the funding requirement in the funding impact statements (“FIS”) of each activity. There are no current (or expected) internal borrowing arrangements between water services and non-water services. Borrowings will therefore be managed on a projected (and subsequently actual) amount based on the requirements of the relevant FIS for each of the water services.

Determination of debt attributed to water services

The Council has historical tracking of borrowing required for water services. The historical tracking and methodology was agreed at June 2022 as part of the previous water services reform. The total value of water services borrowings and the net debt to operating revenue calculation on 30 June 2024 was determined as part of the work completed for ‘Entity D’. New borrowing since that agreement has been extracted from each water services FIS in each year’s Annual Reports. This has been the basis for all financial modelling for water services.

At 30 June 2024 the total value of water services borrowings was \$241 million and the net debt to operating revenue was 281%. This is detailed in Part D of this WSDP, under the heading “Projected borrowings for council and water services”.

Insurance arrangements

DCC as the asset-owning organisation, holds insurance policies for its Water Services assets. These are arranged on the following basis.

- Above Ground Water Services assets such as water treatment buildings and plant are insured for full material damage risk i.e. accidental/unexpected loss or damage and natural disaster perils.
- Water Services assets located below ground level, such as pipes, catchment facilities, supply assets and more, are insured against natural disaster risks, which is the risk most likely to significantly impact the assets to a level not sustainable by DCC.
- Both covers are subject to the applicable policy wordings, including exclusions and endorsements.

These policies form part of the Council's broader insurance programme including the described distinct coverage for Water Services above-ground and below-ground assets. Budgeted capital expenditure on Water Services assets is covered under the DCC's Contract (civils) Works policy, or if required separate project specific Contract Works insurance.

Insurance coverage is reviewed annually, with asset schedules and capital plans updated each year to inform the renewal process. Data from independent valuations based on replacement cost is updated as required by insurers to ensure insured values reflect current asset conditions and market costs. The DCC has undertaken separate high-level risk assessments of above-ground and below-ground assets to understand probabilities of potential damage and loss caused by a major event specifically an earthquake. These risk assessments have been used to inform and set required loss limits to ensure adequate insurance capacity can be accessed at an economically sustainable level. DCC has also actively considered deductible levels across both policies to set retained initial excess risks at levels that DCC can fund while providing advantages for insurance terms, specifically managing cost.

Total value of above-ground water infrastructure is insured for \$526.9 million, while below-ground water infrastructure is insured for \$4.54 billion. These figures represent 18.2% and 78.7% respectively of the total asset values insured under the DCC's above ground and below ground policies. Total DCC Group assets are insured on a loss limit basis. The maximum total loss across the group is capped at \$865.5 million for above-ground assets and 40% of \$625 million for below-ground assets assuming 60% of the below ground limit will be funded from Central Government.

The DCC also maintains public liability insurance to cover legal liability for third-party property damage or injury arising from negligent actions. Statutory liability insurance is held to protect against fines, penalties, and legal costs related to inadvertent breaches of legislation.

The DCC has a low appetite for risks that could lead to service disruption, reputational harm, or legal liability. Mitigations in place include a robust insurance programme, asset management strategies, and proactive investment in infrastructure resilience. The DCC is committed to resilience upgrades in South Dunedin to mitigate the impact of future flood events and reduce reliance on insurance recoveries.

Responsibility for arranging appropriate insurance coverage lies with the Chief Financial Officer, under delegated authority. The Asset and Risk Management teams are responsible for maintaining and updating asset schedules for insurance purposes. Insurance matters are reported quarterly to the Audit and Risk Committee, ensuring governance oversight and transparency.

Part D Financial sustainability assessment

Confirmation of financially sustainable delivery of water services

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

This WSDP demonstrates that the DCC can deliver water services in a financially sustainable manner by 30 June 2028. This is met by confirmation of:

Revenue sufficiency: sufficient revenue to cover the costs (including servicing debt) of water services delivery

DCC's projected water services revenues are sufficient to cover the costs of water services delivery in the WSDP. This is due to:

- a phased increase in rates revenue to provide a balance between affordability and the increasing costs of delivering water services
- proposed water services charges per household as a percentage of median household income of between 1.3% and 2.2% throughout the WSDP
- proposed increases in water services rates revenue results in a balanced budget by the 2027/28 year. This means that from the 2027/28 year onwards, depreciation expense is fully funded
- cashflow from operations increases from 46.9% to 60.8% throughout the WSDP demonstrating sufficient cash from operations to cover the cost of finance.

Investment sufficiency: projected investment is sufficient to meet levels of service, regulatory requirements and provide for growth.

DCC's projected investment in water services is sufficient to meet levels of service, regulatory requirements and provide for growth. This is due to:

- A long-term strategic approach to renewals. The renewals backlog of \$1.003 billion is addressed over a 30 year period, guided by an Infrastructure Strategy that factors affordability and asset risk management;
- A forward-thinking approach to managing asset risk, improving knowledge on asset condition and ensuring contractor availability while maintaining reliable service delivery.
- A strong commitment to future-proofing water services through significant capital investment of \$1.096 billion. This investment is designed to meet service levels, comply with regulatory requirements, and support growth. This is reflected in the asset investment ratio which increases from 26.1% to 78.6% throughout the WSDP.
- The average remaining useful life of network assets ratio remains consistent throughout the WSDP. This demonstrates that the burden on future consumers to replace network assets is not increasing over time.

Financing sufficiency: funding and financing arrangements are sufficient to meet investment requirements.

DCC's projected funding and financing is sufficient to meet the required investment needed in all years of the WSDP. This is due to:

- Projected borrowings being within all borrowing limits for the DCC and DCC Group, including LGFA limits.
- Projected borrowings for water services are within the self-imposed borrowing limit for water services of the debt to revenue ratio of 400%. By year 10 of the WSDP, the water services debt to revenue ratio is forecast to reach 315%.
- Sufficient headroom is maintained throughout the period.
- The DCC Group has arrangements in place with DCTL to provide funding, including for water services. This means that:
 - DCTL can borrow up to the amount of uncalled capital
 - DCTL will continue to manage group borrowing on a daily basis
 - the DCC Treasury Risk Management Policy provides a prudential framework for borrowing arrangements
 - governance and monitoring arrangements are in place.

Financial sustainability is further demonstrated in this section of the WSDP and supported by the financial forecasts in section E.

Actions required to achieve financially sustainable delivery of water services

Intended actions and the milestone of achieving financial sustainability are also identified in the Implementation Plan in Part A of this WSDP.

To ensure that the delivery of water services will be financially sustainable by 30 June 2028, the DCC is committed to the following actions:

Actions required - revenue

- A separate financial ledger will be established for water services to ensure ringfencing requirements are met.
- Water services rate increases of 15% per annum for water services until the 2027/28 year.
- A balanced budget from the 2027/28 year onwards, ensuring depreciation is fully funded.
- An operating cost reduction initiative tracking key metrics to ensure efficiency and continuous improvements.
- Development of a debt repayment policy incorporating water services debt.
- A review of internal charging to ensure ringfencing requirements are met.

Actions required - investment

- Capital project delivery in line with forecasts.
- Enhanced monitoring of asset risk.
- Continued forward planning to secure contractor availability.
- Continued improvement of asset information including asset condition.
- Continued focus on efficiency, improved productivity and resilience.

Actions required - financing

- A separate financial ledger, including Statement of Financial Position, will be established for water services.
- Existing and future DCC borrowing with DCTL will be separated into water services and non-water services debt. This will ensure separate debt servicing charges.
- DCTL will also separate, in their 'GTreasury' system, DCC borrowing between water services and non-water services.

Risks and constraints to achieving financially sustainable delivery of water services

The following assumptions have been considered as potential issues, constraints and risks as part of the financial modelling. The level of uncertainty has been assessed alongside the reasons and effects of the uncertainty.

Risks and associated assumptions	Level of uncertainty	Reason for uncertainty	Effects of uncertainty
Capital expenditure budget for renewals The levels of renewals budgeted in this plan, the DCC's 9 year plan and Infrastructure Strategy will ensure the long term integrity of infrastructure assets.	Low	Generally, the DCC can determine budgets for renewals, subject to market forces, and legislative and regulatory changes.	Long term deferral of renewals poses a risk of asset deterioration and compromise of network integrity and requires unbudgeted capital and/or operating expenditure.
Internal capacity and capability Ongoing improvements to work and procurement practices will allow delivery of operational and capital expenditure programmes and projects.	Low	Generally, the DCC can determine resourcing for programme and project delivery, subject to market forces.	Failure to adequately resource capital expenditure programmes and projects may impact on delivery, which may result in future unbudgeted capital and/or operating expenditures.
External capacity and capability Sufficient design, engineering and construction capacity, including availability of construction materials, exists to undertake contracted operational and capital expenditure programmes.	Medium	That other largescale national or local projects (e.g. Christchurch or Dunedin Hospital rebuilds) impact on local industry capacity and capability.	Issues with the availability of contractors may cause delays or require unbudgeted capital and/or operating expenditures.
Useful lives of significant assets The useful lives of significant assets shown in accounting policies and asset management plans have been appropriately assessed.	Low	Appropriate practices are followed.	An unexpected failure of an asset due to an inadequate assessment of the remaining useful life may require unbudgeted capital and/or operating expenditures.
Fixed asset valuations Scheduled revaluations of assets and forecast asset values in the budget are based on the DCC's valuation policies, which are consistent with accounting standards for Public Benefit Entities.	Low	Revaluations are scheduled regularly to ensure minimal variation of asset values between valuations. The DCC's Statement of Accounting policies describes how potential variances are managed within the financial statements.	Revaluations are significantly different from the forecasts, which would impact depreciation.

Risks and associated assumptions	Level of uncertainty	Reason for uncertainty	Effects of uncertainty
Inflation The DCC has BERL's most recent water services inflation adjustors which were developed specifically for the water services activity This is consistent with the Council's 9 year plan 2025-34.	Low	Inflation levels and prices may vary from those projected.	Unexpected inflation may require unbudgeted capital and/or operating expenditures, which may impact on rates and debt.
Borrowing Costs Interest on existing and new debt is calculated at 4.00% for year 2025-26 (year 2), then 4.15% for years 2026-27 to 2028-29 (years 3-5), then 5.00% for year 2029/30 (year 6), then 5.14% from years 2030/31 to 2033/34 (years 7-10).	Medium	There is uncertainty on the floating rate debt, but the expectation is that interest rates will stay relatively stable over the 10 year period.	Interest rates may vary from those projected and require unbudgeted financing expenditures.
Sources of funds for future replacement of significant assets The DCC's Revenue and Financing Policy outlines the funding sources for capital expenditure. The Financial Strategy outlines the use of debt and other sources of funds to deliver the capital programme while limiting debt to within the debt limits outlined in the Financial Strategy in section C of this plan. It is also assumed proposed revenue increases are approved.	Low	The timing and/or cost of the capital expenditure programme may vary and impact on the sources of funds outlined in the WDSP. Actual increases in revenue aren't at the forecast level.	Variation to the timing and/or cost of the capital expenditure programme may require changes to levels of service and/or an increase in revenue. Reductions in operating expenditure may be required to off-set any shortfall.

See also the key risks for water services delivery detailed in the *Additional Information* section of this WSDP.

Financial sustainability assessment - revenue sufficiency

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

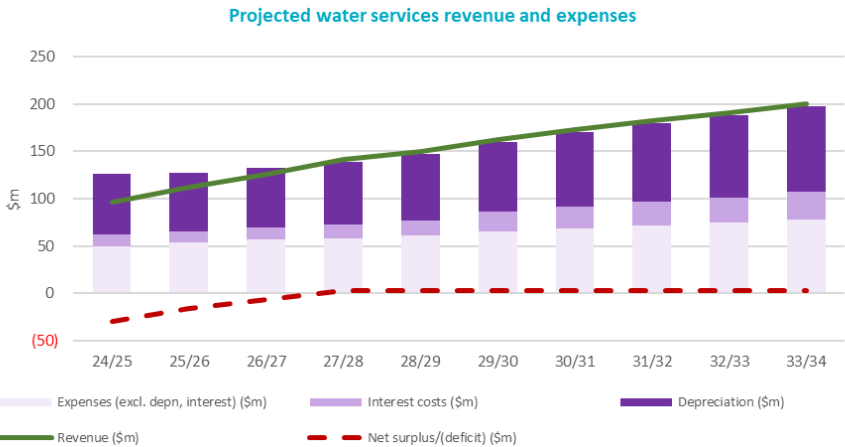
The DCC recognises that while rates need to be at an affordable level overall, it also needs to balance affordability with increasing costs of delivering core services. Rates are a key source of funding for water services.

The revaluation of three waters infrastructure assets in 2022/23 resulted in a significant increase in water services depreciation. Since this time water services have had an operating deficit. This is shown in the adjacent table where the net deficit shown in years 2024/25 to 2026/27 represents underfunded depreciation in those years.

However, with the forecast increases in rates revenue, a balanced budget is achieved from the 2027/28 financial year. This ensures sufficient revenues for water services will cover the projected cost of delivering water services.

From the 2027/28 year onwards:

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



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

Projected average household charge per connection (incl. GST)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Water Supply	590	672	800	919	961	1,008	1,037	1,070	1,109	1,160
Drainage	776	884	984	1,118	1,180	1,302	1,401	1,481	1,553	1,622
Total Charge	1,366	1,556	1,784	2,037	2,141	2,310	2,438	2,551	2,662	2,782
Increase (%)	10.5%	13.9%	14.6%	14.2%	5.1%	7.9%	5.6%	4.6%	4.3%	4.5%
Charge as a percentage of median household income	1.3%	1.4%	1.6%	1.8%	1.8%	1.9%	2.0%	2.1%	2.1%	2.2%

- The projected per household charge shown in the table above is the charge per separately used or inhabited portion of a rating unit.
- The projected household charge is the targeted rates for water services. These are fixed charges for residential properties (as described in detail in Part C of this WSDP). The charges are increasing in line with the financial strategy, the 9-year plan 2025-34 and the WSDP. These planned rate increases are at a level that when phased in provide a balanced budget in the 2027/28 year. Proposed rate increases from then onwards maintains a balanced budget.
- The growth rate in connections is 0.7% per year until 2034. From 2034 onwards the population rate will return to a medium growth scenario rate of 0.1%- 0.2% per year as per Dunedin's 9 Year Plan 2025-34 Significant Forecasting Assumptions.
- Median Household income data has been sourced from Infometrics 2025 data and a conservative growth rate assumption based on CPI projections applied per annum.
- The ratio of 1.3% to 2.2% for water services charges as a percentage of median household income, falls within accepted levels of household income measures for water services as per international standards that range from 2-5%.
- While the table above shows the projected increase in revenue for water from households, the DCC also has commercial customers. As set out in section C, the same level of increases over the period of the WSDP also apply to those commercial customers.

Projected operating surpluses/(deficits) for water services

The operating surplus ratio shown in the table below indicates whether operating revenue is sufficient to cover operating expenses. A negative ratio percentage equates to the percentage of revenues required to cover underfunded costs.

Operating surplus ratio (whether revenues cover costs) (\$'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating surplus/(deficit) excluding capital revenues – combined water services	(32,607)	(18,927)	(9,627)	-	-	-	-	-	-	-
Operating revenue – combined water services	93,434	108,670	123,160	139,095	147,175	159,900	170,104	179,254	188,233	197,968
Operating surplus ratio	(34.9%)	(17.4%)	(7.8%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

- Projected operating revenue results in deficits from the 2024/25 year to the 2026/27 year.
- Projected operating revenue results in a balanced budget from the 2027/28 year onwards, as shown in the table above, and is represented by a 0% operating surplus ratio.
- The revaluation of water services infrastructure assets in 2022/23 resulted in a significant increase in depreciation for water services. Since then, the water services activity has had operating deficits because not all the depreciation was funded. This continues in the financial forecasts for water services in the first three years of the WSDP. As shown in the table above, the operating surplus ratio from 2024/25 to 2026/27 is negative, representing underfunded depreciation.
- However, the financial strategy for water services provides a staged approach to achieving a balanced budget in water services by the 2027/28 year. It provides for forecast increases in water services rates revenue of 15% per annum for the 2025/26 and 2026/27 years, and this results in rates revenue increasing to a level that fully funds operating expenses (including depreciation), resulting in a balanced budget from the 2027/28 financial year onwards.
- To smooth rate increases and balance ratepayer affordability, a deficit for the first three years is forecast without compromising the forecast level of investment. This approach is in line with being financially sustainable by 30 June 2028.

Projected operating cash surpluses for water services

The operating cash ratio shown in the table below indicates the DCC's ability to generate cash surpluses from operations to pay interest, fund investment and repay debt. A positive operating cash ratio shows the percentage of operating revenue that remains available to cover the cost of finance. The operating cash ratio differs from the operating surplus ratio, as it removes the impact of depreciation (not a cash expense), and interest costs.

Operating cash ratio (\$'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating surplus/(deficit) + depreciation + interest costs - capital revenues	43,796	54,501	66,737	80,925	85,851	95,046	101,699	107,602	113,479	120,281
Operating revenue – combined water services	93,434	108,670	123,160	139,095	147,175	159,900	170,104	179,254	188,233	197,968
Operating cash ratio	46.9%	50.2%	54.2%	58.2%	58.3%	59.4%	59.8%	60.0%	60.3%	60.8%

- The projected operating cash surpluses for water services are positive. The table above shows an operating cash ratio of 46.9% in the 2024/25 year and increases over the period of the WSDP to 60.8% by the 2033/34 year.
- This demonstrates that operating cash flow is positive each year over the modelled period and the ratio increases at a faster rate in the first three years as depreciation is fully funded in 2027/28.
- Cash surpluses are applied to interest costs and renewals.
- The water services operating cash ratio is sufficient from the 2027/28 year to meet interest costs and renewal requirements.
- As noted in Part C of this WSDP, Council has requested a debt repayment policy to be considered as part of Council's Annual Plan 2026/27. The debt repayment policy will incorporate a debt repayment policy for water services.

Financial sustainability assessment - investment sufficiency

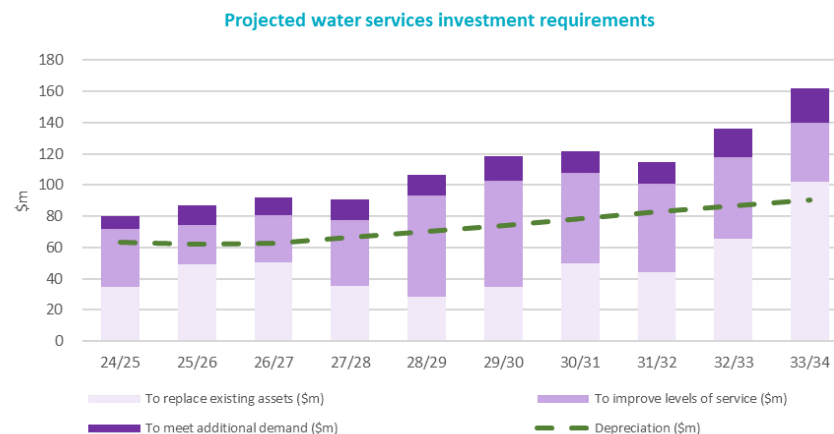
Projected water services investment is sufficient to meet levels of service, regulatory requirements and provide for growth

The following section demonstrates:

- the Council's proposed level of investment is sufficient to meet levels of service, regulatory requirements and provide for growth, whilst balancing the affordability of ratepayers
- the proposed level of investment is fully funded by projected revenues and access to financing
- the projected level of investment has been assessed as meeting the 'investment sufficiency' test.

As outlined in further detail below:

- Asset investment ratio remains positive in all years, indicating that investment into water services assets exceeds depreciation expense
- Asset consumption ratio remains consistent throughout the 10-year period, indicating that there is no increase of burden on future consumers.



Renewals requirements for water services

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

Please note that the table below includes capital expenditure on renewals including renewals as a consequence of growth. This is consistent with the capital expenditure programme which categorises expenditure on renewals as expenditure to replace existing assets. It categorises growth as expenditure to meet additional demand. However, the FIS statements, as provided in section E of this WSDP, categorise capital expenditure differently. They include consequential growth renewals as growth expenditure. This means that in the FIS statements renewal expenditure is less than the capital programme.

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 (including growth) all water services assets	\$51,735	\$64,388	\$62,057	\$44,149	\$33,525	\$41,631	\$56,932	\$52,429	\$77,861	\$119,810
Depreciation	\$63,522	\$62,007	\$62,913	\$66,279	\$70,041	\$74,087	\$78,667	\$82,825	\$86,823	\$90,758
Asset sustainability ratio	(18.6%)	3.8%	(1.4%)	(33.4%)	(52.1%)	(43.8%)	(27.6%)	(36.7%)	(10.3%)	32.0%

The asset sustainability test shows a negative ratio at 18.6% in 2024/25. It reaches a peak negative ratio of 52.1% in 2028/29 but steadily improves to become positive 32.0% in 2033/34.

- The Council has taken a strategic and responsible approach to renewing our water services infrastructure. The current estimated backlog of renewals is \$1,003 million, and the Council's Infrastructure Strategy outlines a 30-year plan to progressively address this. By spreading investment over time, the Council ensures the programme remains affordable for ratepayers while steadily working toward eliminating the backlog by 2055. This long-term planning reflects a commitment to sustainable infrastructure management and future-ready service delivery.
- Council's approach to addressing the renewals backlog is guided by a balanced Infrastructure Strategy that prioritises both affordability and asset risk management. Through a phased 30-year plan, there is steady progress to reduce the renewals backlog. Over the life of the 9 year plan 2025-34, the focus is to prioritise renewing high-risk assets such as treatment plants. While this results in a modest reduction of approximately 4% in the total backlog to 2033/34, it lays the foundation for more substantial progress in the years following. A reprioritisation of capital investment beyond 2034 will support the goal of fully resolving the backlog by 2055, ensuring long-term infrastructure sustainability.
- The Council is taking a forward-thinking approach to managing asset risk while maintaining reliable service delivery. While some critical assets may carry a higher risk of failure during the 30 year period, this is being actively mitigated through a significant increase in repairs and maintenance funding over the 10 years. Enhanced monitoring of critical assets will allow for timely responses to changes in condition and performance, helping to maintain service levels and protect the environment. This proactive approach ensures that renewals are well-planned and executed before any major deterioration occurs. Additionally, forward planning will secure the necessary capital and ensure contractor availability to deliver the work efficiently.
- We are continually improving our knowledge about the condition of our water services assets. Around 22% of our assets have passed or are approaching their end of life, based on age. Some assets are in better condition than expected, given their age, and they still work well, but others need replacing sooner. Renewals are prioritised, based on their condition and performance, and not just their age - fixing those assets that need it most. The 30-year Infrastructure Strategy sets out the funding to meet fixing those assets that need it most, and to address historically deferred renewals (the backlog), to ensure that levels of service are maintained in the future. Prioritising our renewals in this way means that we will reduce the risk of having reactive responses to asset failures that would impact our levels of service.

Total water services investment required over 10 years

- The following ratio compares total investment to projected depreciation. The below ratios are positive, and this is due to projected investment exceeding projected depreciation. If these ratios were negative it would indicate that projected investment is less than expected depreciation.

Asset investment ratio (\$'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total capital expenditure – all water services assets	65,991	87,123	92,117	90,833	106,671	118,716	121,908	114,723	135,843	162,064
Depreciation – all water services assets	63,522	62,007	62,913	66,279	70,041	74,087	78,667	82,825	86,823	90,758
Asset investment ratio	3.9%	40.5%	46.4%	37.0%	52.3%	60.2%	55.0%	38.5%	56.5%	78.6%

- The asset investment ratio increases over the 10 years from 3.9% to 78.6% in 2033/34 indicating the increasing investment into the water services network to ensure a resilient and sustainable system.
- The proposed level of investment has been determined based on the Council's asset management processes, which culminate in asset management plans which are then used to inform Council's Long Term Plan processes and water services plans. The proposed level of investment is a continuation of Dunedin's planned investment in its water services capital programme. This investment is reflected in the positive ratios.

- This level of investment is consistent with Dunedin's Infrastructure Strategy 2025-2055, and asset management plans relating to water services asset management. This investment fits within Council's requirement of investment sufficiency and will be funded within the revenue and financing limits set out under the overall financial sustainability measures.

Average remaining useful life of network assets

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

Asset consumption ratio (\$'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Book value of water infrastructure assets	1,794,343	1,890,117	1,986,614	2,075,097	2,168,926	2,264,025	2,354,371	2,424,962	2,512,676	2,620,993
Replacement value of water infrastructure assets	4,122,113	4,371,519	4,619,477	4,859,631	5,100,869	5,338,560	5,571,650	5,778,126	6,006,559	6,257,602
Asset consumption ratio	43.5%	43.2%	43.0%	42.7%	42.5%	42.4%	42.3%	42.0%	41.8%	41.9%

- The proposed level of investment has a relatively stable profile based on the average remaining useful life of network assets over the 10-year period. The asset consumption ratio does not change materially over the timeframe of the WSDP. With the additional level of investment proposed in years 11 – 30 as per Dunedin's Infrastructure Strategy 2025-2055 the asset consumption ratio will improve, which supports the overall investment sufficiency measure.
- This ratio indicates that throughout the 10 year period there is no increased burden on future consumers and that the planned capital investment is sufficient.

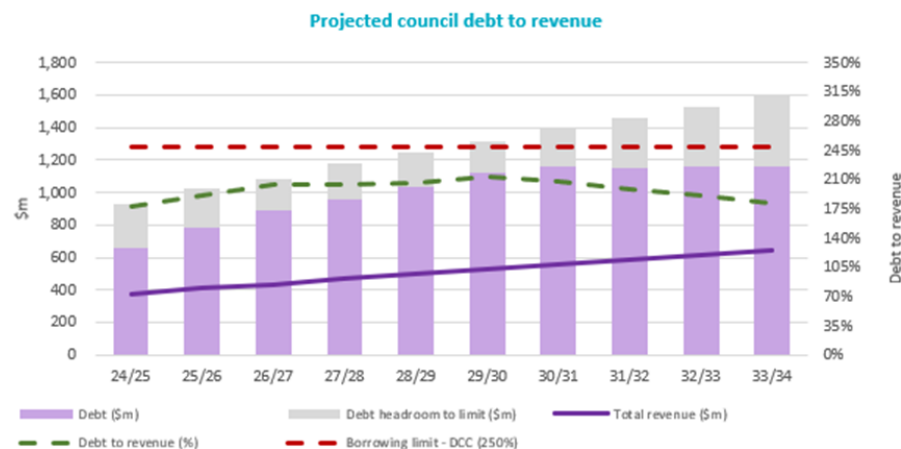
Financial sustainability assessment - financing sufficiency

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

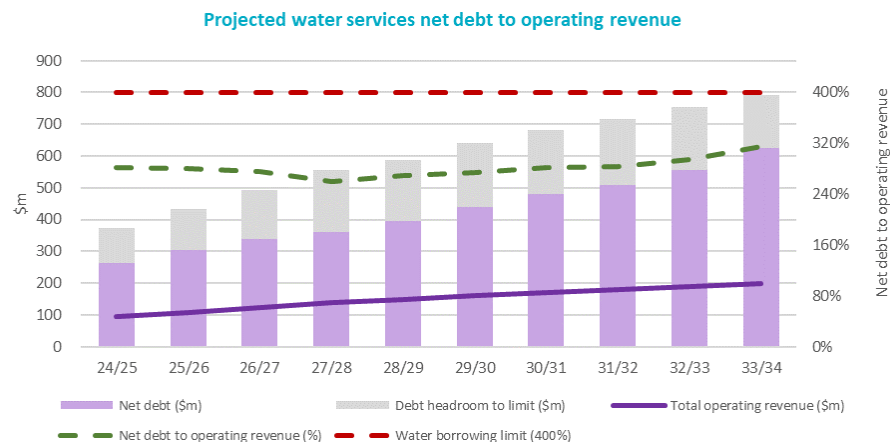
The following section demonstrates:

- the DCC's projected total borrowings are within council borrowing limits and LGFA borrowing limits
- water services borrowing falls within water services borrowing limits
- the required levels of borrowings can be sourced within existing financing arrangements
- the WSDP meets the 'financing sufficiency' test.

Projected council borrowings against borrowing limits



Projected water services borrowings against borrowing limits



Projected borrowings for council and water services

This debt to revenue measure compares projected DCC borrowing to projected revenues for the DCC.

Debt to revenue (\$'000) – Total Council	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Debt	662,173	783,173	887,239	960,368	1,035,207	1,125,448	1,159,801	1,155,831	1,164,363	1,164,920
Total revenue	372,524	410,230	435,411	470,698	500,253	527,248	555,884	583,884	611,266	640,656
Debt to revenue %	178%	191%	204%	204%	207%	213%	209%	198%	190%	182%
Increase/(decrease) in debt	71,700	121,000	104,066	73,129	74,839	90,241	34,353	(3,970)	8,532	557

- The profile of DCC borrowing reflects both water services and non-water borrowing over the 10 years. It increases annually reflecting council's capital expenditure programme. Council borrowing increases on average \$89m per annum until the 2029/30 year.
- From then onwards the debt remains reasonably flat with a reduction in 2031/32. This reflects declining non-water services capital expenditure and increasing water services capital expenditure.
- As revenue continues to increase throughout the period, the ratio of net debt to operating revenue reduces.
- Water services debt increases at a higher rate than overall council debt. Non water services debt reduces towards the end of the plan from the 2029/30 reflecting councils desire to be in a position of debt repayment. However, due to the investment required in water services, water services debt continues to increase.
- The ratio peaks in 2029/30 at 213% and steadily improves to 182% in 2033/34.
- The ratio is within the DCC's 250% Gross Debt to revenue limit, peaking at 213% in 2029/30.
- The ratio is within the LGFA's 280% Net Debt to operating revenue limits.

This net debt to operating revenue measure compares projected water services borrowing (minus cash and cash equivalents) to projected operating revenues for water services.

Net Debt to operating revenue (\$'000) - Water Services	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Net debt	263,038	304,194	340,293	362,287	396,358	438,428	479,110	508,449	554,911	623,658
Total operating revenue	93,434	108,670	123,160	139,095	147,175	159,900	170,104	179,254	188,233	197,968
Net debt to operating revenue %	282%	280%	276%	260%	269%	274%	282%	284%	295%	315%
Increase in debt	32,978	41,156	36,099	21,994	34,071	42,070	40,682	29,339	46,462	68,747

- The profile of water services borrowing shows increases annually throughout the period reflecting water services capital expenditure programme. The annual increases in debt are more significant from 2032/33 - 2033/34 as capital expenditure increases. Capital expenditure for water services is \$136m in 2032/33 and \$162m in 2033/34. Revenue continues to increase through the period, but not at the same rate as capital expenditure or debt. This results in the ratio of net debt to operating revenue increasing to 315% by 2033/34.
- The ratio is within the DCC's limit for water services of 400% net debt to operating revenue limit.
- As noted a debt repayment policy is currently being developed.

Borrowing headroom/(shortfall) for council and water services

This borrowing headroom/(shortfall) measure determines whether DCC's projected borrowings are within borrowing limits as well as the ability to borrow for unforeseen events.

Borrowing headroom/(shortfall) against limit – Council (\$'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total revenue	372,524	410,230	435,411	470,698	500,253	527,248	555,884	583,884	611,266	640,656
Debt to revenue limit	250%	250%	250%	250%	250%	250%	250%	250%	250%	250%
Maximum allowable debt at borrowing limit	931,310	1,025,575	1,088,528	1,176,745	1,250,633	1,318,120	1,389,710	1,459,710	1,528,165	1,601,640
Total debt	662,173	783,173	887,239	960,368	1,035,207	1,125,448	1,159,801	1,155,831	1,164,363	1,164,920
Borrowing headroom/(shortfall) against limit	269,137	242,402	201,289	216,377	215,426	192,672	229,909	303,879	363,802	436,720

- DCC's overall borrowing is within the DCC self-imposed limit of 250%. This measure demonstrates there is capacity to fund unforeseen or additional projects.
- By 2033/34 Council's debt headroom has increased with debt headroom of \$437 million (27% of maximum allowable debt at borrowing limit) available, with projected operating revenues of \$641 million.

Borrowing headroom/(shortfall) against limit – water services (\$'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Operating revenue	93,434	108,670	123,160	139,095	147,175	159,900	170,104	179,254	188,233	197,968
Debt to revenue limit	400%	400%	400%	400%	400%	400%	400%	400%	400%	400%
Maximum allowable net debt	373,736	434,680	492,640	556,380	588,700	639,600	680,416	717,016	752,932	791,872
Total net debt	263,038	304,194	340,293	362,287	396,358	438,428	479,110	508,449	554,911	623,658
Borrowing headroom/ (shortfall) against limit	110,698	130,486	152,347	194,093	192,342	201,172	201,306	208,567	198,021	168,214

- The ratio of water services debt increases disproportionately to total council debt. This is a function of the capital programme required for water services. Council has set a debt to revenue limit for water services at 400% to reflect the proportion of water services debt required to complete the capital programme. As demonstrated this falls within the DCC's borrowing limits and required debt headroom. The water services debt limit is an internal measure.
- As income increases, so too does the borrowing headroom for water services. Over the period modelled, debt headroom increases to \$209 million in 2031/32, and falls to \$168 million (21% of the maximum allowable net debt at borrowing limit) available, with projected operating revenues of \$198 million.

Free funds from operations

This ratio measures the percentage of debt balance that is generated in free cash flow each year and is key leverage indicator for infrastructure asset financiers and signals the ability of council to repay water services debt.

Free funds from operations - Council (\$'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Total debt	662,173	783,173	887,239	960,368	1,035,207	1,125,448	1,159,801	1,155,831	1,164,363	1,164,920
Funds from operations	50,822	67,417	83,340	104,205	118,547	123,989	127,620	150,458	169,117	189,975
Free funds from operations to debt ratio	7.7%	8.6%	9.4%	10.9%	11.5%	11.0%	11.0%	13.0%	14.5%	16.3%

While currently not a measure used by the DCC, preferring a balanced budget approach, the projected level of free cash flow has been assessed as sufficient to satisfy lenders when considering financing needs. The projected ratio begins at 7.7% in 2024/25 increases as revenue increases and the DCC moves to a balanced budget position. FFO to debt increases to 16.3% in 2033/34 as a consequence of increased income and debt reduction.

Free funds from operations - water services (\$'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	263,038	304,194	340,293	362,287	396,358	438,428	479,110	508,449	554,911	623,658
Projected free funds from operations – water services	30,915	43,080	53,286	66,280	70,041	74,087	78,667	82,825	86,822	90,758
Free funds from operations to net debt ratio – water services	11.8%	14.2%	15.7%	18.3%	17.7%	16.9%	16.4%	16.3%	15.6%	14.6%

Water services level of free cash flow is more than sufficient to satisfy lenders when considering financing needed. The projected ratio, between 11.8% and 18.3%, is within the expected range for this type of asset financing, noting DIA guidance for a water services entity maintains FFO between 8-12% at much greater borrowing levels.

Part E Projected financial statements for water services

The following projected financial statements are based off the following:

- 2024/25 – annual plan adjusted for draft actual borrowing and capital expenditure
- 2025/26 - 2033/34 – audited 9 year plan and assumptions
- Indicative opening balance sheet at 1 June 2025.

Projected financial statements – for water services combined

Projected funding impact statement

Projected funding impact statement - water services (\$'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
Targeted rates	85,129	97,896	112,606	129,574	137,293	149,682	159,580	168,435	177,166	186,646
Subsidies and grants for operating purposes	41	38	39	41	42	43	44	45	46	47
Internal charges and overheads recovered	635	1,988	1,400	0	0	0	0	0	0	0
Fees and charges	7,629	8,748	9,115	9,480	9,840	10,175	10,480	10,774	11,021	11,275
Total sources of operating funding	93,434	108,670	123,160	139,095	147,175	159,900	170,104	179,254	188,233	197,968
Applications of operating funding										
Payments to staff and suppliers	44,685	48,832	50,926	52,524	55,536	58,927	62,343	65,456	68,428	71,228
Finance costs	12,881	11,421	13,451	14,645	15,810	20,959	23,032	24,777	26,657	29,523
Internal charges and overheads applied	4,953	5,337	5,497	5,646	5,788	5,927	6,062	6,196	6,326	6,459
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	62,519	65,590	69,874	72,815	77,134	85,813	91,437	96,429	101,411	107,210
Surplus/(deficit) of operating funding	30,915	43,080	53,286	66,280	70,041	74,087	78,667	82,825	86,822	90,758
Source of capital funding										
Subsidies and grants for capital expenditure	240	328	173	0	0	0	0	0	0	0
Development and financial contributions	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559
Increase/(decrease) in debt	32,978	41,156	36,099	21,994	34,071	42,070	40,682	29,339	46,462	68,747
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	35,777	44,043	38,831	24,553	36,630	44,629	43,241	31,898	49,021	71,306
Applications of capital funding										
Capital expenditure - to meet additional demand	0	12,755	11,311	13,525	13,203	15,806	14,344	13,740	17,894	22,045
Capital expenditure - to improve levels of services	14,256	24,912	30,496	41,748	65,013	68,298	57,935	56,893	52,430	37,665
Capital expenditure - to replace existing assets	51,735	49,456	50,310	35,560	28,455	34,612	49,629	44,090	65,519	102,354
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	701	0	0	0	0	0	0	0	0	0
Total applications of capital funding	66,692	87,123	92,117	90,833	106,671	118,716	121,908	114,723	135,843	162,064
Surplus/(deficit) of capital funding	(30,915)	(43,080)	(53,286)	(66,280)	(70,041)	(74,087)	(78,667)	(82,825)	(86,822)	(90,758)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense

Projected statement of profit and loss - water services (\$'000)	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	93,434	108,670	123,160	139,095	147,175	159,900	170,104	179,254	188,233	197,968
Other revenue	2,799	2,887	2,732	2,559	2,559	2,559	2,559	2,559	2,559	2,559
Total revenue	96,233	111,557	125,892	141,654	149,734	162,459	172,663	181,813	190,792	200,527
Expenses										
Operating expenses	44,685	48,832	50,926	52,525	55,536	58,927	62,343	65,456	68,427	71,228
Finance costs	12,881	11,421	13,451	14,645	15,810	20,959	23,032	24,777	26,657	29,523
Overheads and support costs	4,953	5,337	5,497	5,646	5,788	5,927	6,062	6,196	6,326	6,459
Depreciation & amortisation	63,522	62,007	62,913	66,279	70,041	74,087	78,667	82,825	86,823	90,758
Total expenses	126,041	127,597	132,787	139,095	147,175	159,900	170,104	179,254	188,233	197,968
Net surplus/(deficit)	(29,808)	(16,040)	(6,895)	2,559	2,559	2,559	2,559	2,559	2,559	2,559
Revaluation of infrastructure assets	0	70,658	67,293	63,929	57,199	50,470	47,105	38,694	38,694	37,011
Total comprehensive income	(29,808)	54,618	60,398	66,488	59,758	53,029	49,664	41,253	41,253	39,570
Cash surplus/(deficit) from operations (ex non-cash items)	33,714	45,967	56,018	68,839	72,600	76,646	81,226	85,384	89,381	93,317

Projected statement of cashflows (\$'000)

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	33,714	45,967	56,018	68,839	72,600	76,646	81,226	85,384	89,381	93,317
Increase/(decrease) in investments	(701)	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net cashflows from operating activities	33,013	45,967	56,018	68,839	72,600	76,646	81,226	85,384	89,381	93,317
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(65,991)	(87,123)	(92,117)	(90,833)	(106,671)	(118,716)	(121,908)	(114,723)	(135,843)	(162,064)
Net cashflows from investing activities	(65,991)	(87,123)	(92,117)	(90,833)	(106,671)	(118,716)	(121,908)	(114,723)	(135,843)	(162,064)
Cashflows from financing activities										
New borrowings	32,978	41,156	36,099	21,994	34,071	42,070	40,682	29,339	46,462	68,747
Net cashflows from financing activities	32,978	41,156	36,099	21,994	34,071	42,070	40,682	29,339	46,462	68,747
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Cash and cash equivalents at end of year	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750

Projected statement of financial position (\$'000)

Projected statement of financial position	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Assets										
Cash and cash equivalents	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750	1,750
Other current assets	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436	1,436
Infrastructure assets	1,794,343	1,890,117	1,986,614	2,075,097	2,168,926	2,264,025	2,354,371	2,424,962	2,512,676	2,620,993
Other non-current assets	164,665	166,088	167,511	168,934	170,357	171,780	173,203	174,626	176,049	177,472
Total assets	1,962,194	2,059,391	2,157,311	2,247,216	2,342,468	2,438,990	2,530,760	2,602,774	2,691,911	2,801,651
Liabilities										
Other current liabilities	12,583	12,583	12,583	12,583	12,583	12,583	12,583	12,583	12,583	12,583
Borrowings – non-current portion	264,788	305,944	342,043	364,037	398,108	440,178	480,860	510,199	556,661	625,408
Other non-current liabilities	301	301	301	301	301	301	301	301	301	301
Total liabilities	277,672	318,828	354,927	376,921	410,992	453,062	493,744	523,083	569,545	638,292
Net assets	1,684,522	1,740,562	1,802,384	1,870,295	1,931,476	1,985,928	2,037,015	2,079,691	2,122,366	2,163,359
Equity										
Revaluation reserves	638,446	709,103	776,397	840,325	897,524	947,994	995,099	1,033,793	1,072,487	1,109,498
Other reserves	1,046,076	1,031,459	1,025,987	1,029,970	1,033,952	1,037,934	1,041,916	1,045,898	1,049,879	1,053,861
Total equity	1,684,522	1,740,562	1,802,384	1,870,295	1,931,476	1,985,928	2,037,015	2,079,691	2,122,366	2,163,359

Projected financial statements – for drinking water

Projected funding impact statement (\$'000)

Projected funding impact statement – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
Targeted rates	32,045	36,852	44,164	51,156	53,899	56,981	59,071	61,403	64,126	67,622
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	316	795	560	0	0	0	0	0	0	0
Fees and charges	6,632	7,505	7,820	8,133	8,442	8,729	8,991	9,243	9,455	9,673
Total sources of operating funding	38,993	45,152	52,544	59,289	62,341	65,710	68,062	70,646	73,581	77,295
Applications of operating funding										
Payments to staff and suppliers	21,728	21,191	22,166	22,947	24,254	25,336	26,427	27,519	28,570	29,681
Finance costs	6,407	3,912	5,111	5,875	5,942	6,883	6,799	6,931	7,506	8,607
Internal charges and overheads applied	1,916	1,808	1,862	1,913	1,961	2,008	2,054	2,099	2,143	2,188
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	30,051	26,911	29,139	30,735	32,157	34,227	35,280	36,549	38,219	40,476
Surplus/(deficit) of operating funding	8,942	18,241	23,405	28,554	30,184	31,483	32,782	34,097	35,362	36,819
Source of capital funding										
Subsidies and grants for capital expenditure	119	131	69	0	0	0	0	0	0	0
Development and financial contributions	819	819	819	819	819	819	819	819	819	819
Increase/(decrease) in debt	14,675	23,090	27,117	9,425	(6,683)	(4,897)	991	3,711	18,730	24,619
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	15,613	24,040	28,005	10,244	(5,864)	(4,078)	1,810	4,530	19,549	25,438
Applications of capital funding										
Capital expenditure - to meet additional demand	0	7,231	7,135	6,458	3,349	4,108	4,183	4,530	6,732	8,216
Capital expenditure - to improve levels of services	7,164	15,519	17,828	16,828	10,844	12,547	13,910	14,524	18,582	12,672
Capital expenditure - to replace existing assets	20,483	19,531	26,447	15,512	10,127	10,750	16,499	19,573	29,597	41,369
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	(3,092)	0	0	0	0	0	0	0	0	0
Total applications of capital funding	24,555	42,281	51,410	38,798	24,320	27,405	34,592	38,627	54,911	62,257
Surplus/(deficit) of capital funding	(8,942)	(18,241)	(23,405)	(28,554)	(30,184)	(31,483)	(32,782)	(34,097)	(35,362)	(36,819)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense (\$'000)

Projected statement of profit and loss – drinking water	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	38,993	45,152	52,544	59,289	62,341	65,710	68,062	70,646	73,581	77,295
Other revenue	938	950	888	819	819	819	819	819	819	819
Total revenue	39,931	46,102	53,432	60,108	63,160	66,529	68,881	71,465	74,400	78,114
Expenses										
Operating expenses	21,728	21,191	22,166	22,947	24,254	25,336	26,427	27,519	28,570	29,680
Finance costs	6,407	3,912	5,111	5,875	5,942	6,883	6,799	6,931	7,506	8,607
Overheads and support costs	1,916	1,808	1,862	1,913	1,961	2,008	2,054	2,099	2,143	2,188
Depreciation & amortisation	31,596	26,365	26,900	28,554	30,184	31,483	32,782	34,097	35,362	36,820
Total expenses	61,647	53,276	56,039	59,289	62,341	65,710	68,062	70,646	73,581	77,295
Net surplus/(deficit)	(21,716)	(7,174)	(2,607)	819	819	819	819	819	819	819
Revaluation of infrastructure assets	0	28,113	20,939	25,435	22,758	20,081	18,742	15,395	15,395	14,726
Total comprehensive income	(21,716)	(7,174)	24,167	26,254	23,577	20,900	19,561	16,214	16,214	15,545
Cash surplus/(deficit) from operations (ex non-cash items)	9,880	19,191	24,293	29,373	31,003	32,302	33,601	34,916	36,181	37,638

Projected statement of cashflows (\$'000)

Projected statement of cashflows – drinking water	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	9,880	19,191	24,293	29,373	31,003	32,302	33,601	34,916	36,181	37,638
Increase/(decrease) in investments	3,092	0	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net cashflows from operating activities	12,972	19,191	24,293	29,373	31,003	32,302	33,601	34,916	36,181	37,638
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(27,647)	(42,281)	(51,410)	(38,798)	(24,320)	(27,405)	(34,592)	(38,627)	(54,911)	(62,257)
Net cashflows from investing activities	(27,647)	(42,281)	(51,410)	(38,798)	(24,320)	(27,405)	(34,592)	(38,627)	(54,911)	(62,257)
Cashflows from financing activities										
New borrowings	14,675	23,090	27,117	9,425	(6,683)	(4,897)	991	3,711	18,730	24,619
Net cashflows from financing activities	14,675	23,090	27,117	9,425	(6,683)	(4,897)	991	3,711	18,730	24,619
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	750	750	750	750	750	750	750	750	750	750
Cash and cash equivalents at end of year	750	750	750	750	750	750	750	750	750	750

Projected statement of financial position (\$'000)

Projected statement of financial position – drinking water	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	750	750	750	750	750	750	750	750	750	750
Other current assets	531	531	531	531	531	531	531	531	531	531
Infrastructure assets	712,172	756,201	807,485	843,164	860,058	876,060	896,612	916,537	951,481	991,644
Other non-current assets	79,976	80,526	81,076	81,626	82,176	82,726	83,276	83,826	84,376	84,926
Total assets	793,429	838,008	889,842	926,071	943,515	960,068	981,169	1,001,644	1,037,138	1,077,851
Liabilities										
Other current liabilities	5,031	5,031	5,031	5,031	5,031	5,031	5,031	5,031	5,031	5,031
Borrowings – non-current portion	86,018	109,108	136,225	145,650	138,967	134,070	135,061	138,772	157,502	182,121
Other non-current liabilities	121	121	121	121	121	121	121	121	121	121
Total liabilities	91,169	114,259	141,376	150,801	144,118	139,221	140,212	143,923	162,653	187,272
Net assets	702,260	723,749	748,466	775,270	799,397	820,846	840,957	857,721	874,485	890,579
Equity										
Revaluation reserves	301,695	329,807	356,581	382,017	404,775	424,855	443,597	458,992	474,387	489,113
Other reserves	400,565	393,941	391,884	393,253	394,622	395,991	397,360	398,729	400,098	401,466
Total equity	702,260	723,749	748,466	775,270	799,397	820,846	840,957	857,721	874,485	890,579

Projected financial statements – for wastewater

Projected funding impact statement (\$'000)

Projected funding impact statement – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
Targeted rates	41,392	47,598	51,850	57,984	61,759	69,498	76,219	82,296	87,795	92,569
Subsidies and grants for operating purposes	41	38	39	41	42	43	44	45	46	47
Internal charges and overheads recovered	221	811	571	0	0	0	0	0	0	0
Fees and charges	896	1,121	1,168	1,215	1,261	1,304	1,343	1,381	1,413	1,445
Total sources of operating funding	42,550	49,568	53,628	59,240	63,062	70,845	77,606	83,722	89,254	94,061
Applications of operating funding										
Payments to staff and suppliers	18,528	21,747	22,585	23,240	24,498	26,355	28,221	29,931	31,562	32,892
Finance costs	4,493	5,885	6,583	7,004	8,071	11,878	14,120	16,058	17,539	19,015
Internal charges and overheads applied	2,603	2,963	3,052	3,134	3,213	3,290	3,365	3,440	3,512	3,586
Other operating funding applications	0	0	0	0	0	0	0	0	0	0
Total applications of operating funding	25,624	30,595	32,220	33,378	35,782	41,523	45,706	49,429	52,613	55,493
Surplus/(deficit) of operating funding	16,926	18,973	21,408	25,862	27,280	29,322	31,900	34,293	36,641	38,568
Source of capital funding										
Subsidies and grants for capital expenditure	84	134	71	0	0	0	0	0	0	0
Development and financial contributions	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090
Increase/(decrease) in debt	10,323	12,713	10,153	10,929	41,233	45,896	44,930	33,838	26,762	33,779
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	11,497	13,937	11,314	12,019	42,323	46,986	46,020	34,928	27,852	34,869
Applications of capital funding										
Capital expenditure - to meet additional demand	0	3,578	3,210	5,745	7,987	9,186	8,118	7,519	8,230	9,622
Capital expenditure - to improve levels of services	1,868	6,211	10,705	15,877	45,031	46,342	41,026	39,979	27,360	18,378
Capital expenditure - to replace existing assets	25,577	23,121	18,807	16,259	16,585	20,780	28,776	21,723	28,903	45,437
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	978	0	0	0	0	0	0	0	0	0
Total applications of capital funding	28,423	32,910	32,722	37,881	69,603	76,308	77,920	69,221	64,493	73,437
Surplus/(deficit) of capital funding	(16,926)	(18,973)	(21,408)	(25,862)	(27,280)	(29,322)	(31,900)	(34,293)	(36,641)	(38,568)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense (\$'000)

Projected statement of profit and loss – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	42,550	49,568	53,628	59,240	63,062	70,845	77,606	83,722	89,254	94,061
Other revenue	1,174	1,224	1,161	1,090	1,090	1,090	1,090	1,090	1,090	1,090
Total revenue	43,724	50,792	54,789	60,330	64,152	71,935	78,696	84,812	90,344	95,151
Expenses										
Operating expenses	18,528	21,747	22,584	23,241	24,497	26,355	28,221	29,931	31,562	32,893
Finance costs	4,493	5,885	6,583	7,004	8,071	11,878	14,120	16,058	17,539	19,015
Overheads and support costs	2,603	2,963	3,052	3,134	3,213	3,290	3,365	3,440	3,512	3,586
Depreciation & amortisation	22,156	24,400	24,617	25,861	27,281	29,322	31,900	34,293	36,641	38,567
Total expenses	47,780	54,995	56,836	59,240	63,062	70,845	77,606	83,722	89,254	94,061
Net surplus/(deficit)	(4,056)	(4,203)	(2,047)	1,090	1,090	1,090	1,090	1,090	1,090	1,090
Revaluation of infrastructure assets	0	28,896	27,520	26,144	23,392	20,640	19,264	15,824	15,824	15,136
Total comprehensive income	(4,056)	24,693	25,473	27,234	24,482	21,730	20,354	16,914	16,914	16,226
Cash surplus/(deficit) from operations (ex non-cash items)	18,100	20,197	22,569	26,952	28,370	30,412	32,990	35,383	37,731	39,658

Projected statement of cashflows (\$'000)

Projected statement of cashflows – wastewater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	18,100	20,197	22,569	26,952	28,370	30,412	32,990	35,383	37,731	39,658
Increase/(decrease) in investments	(978)	0	0	0	0	0	0	0	0	0
Net cashflows from operating activities	17,122	20,197	22,569	26,952	28,370	30,412	32,990	35,383	37,731	39,658
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(27,445)	(32,910)	(32,722)	(37,881)	(69,603)	(76,308)	(77,920)	(69,221)	(64,493)	(73,437)
Net cashflows from investing activities	(28,423)	(32,910)	(32,722)	(37,881)	(69,603)	(76,308)	(77,920)	(69,221)	(64,493)	(73,437)
Cashflows from financing activities										
New borrowings	10,323	12,713	10,153	10,929	41,233	45,896	44,930	33,838	26,762	33,779
Net cashflows from financing activities	10,323	12,713	10,153	10,929	41,233	45,896	44,930	33,838	26,762	33,779
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	750	750	750	750	750	750	750	750	750	750
Cash and cash equivalents at end of year	750	750	750	750	750	750	750	750	750	750

Projected statement of financial position (\$'000)

Projected statement of financial position - wastewater	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	750	750	750	750	750	750	750	750	750	750
Other current assets	649	649	649	649	649	649	649	649	649	649
Infrastructure assets	736,455	773,861	809,486	847,650	913,364	980,990	1,046,274	1,097,026	1,140,702	1,190,708
Other non-current assets	51,713	52,070	52,427	52,784	53,141	53,498	53,855	54,212	54,569	54,926
Total assets	789,567	827,330	863,312	901,833	967,904	1,035,887	1,101,528	1,152,637	1,196,670	1,247,033
Liabilities										
Other current liabilities	5,133	5,133	5,133	5,133	5,133	5,133	5,133	5,133	5,133	5,133
Borrowings – non-current portion	140,512	153,225	163,378	174,307	215,540	261,436	306,366	340,204	366,966	400,745
Other non-current liabilities	123	123	123	123	123	123	123	123	123	123
Total liabilities	145,767	158,480	168,633	179,562	220,795	266,691	311,621	345,459	372,221	406,000
Net assets	643,800	668,850	694,679	722,271	747,109	769,196	789,907	807,178	824,449	841,033
Equity										
Revaluation reserves	239,205	268,101	295,622	321,766	345,158	365,798	385,062	400,886	416,710	431,846
Other reserves	404,594	400,748	399,057	400,505	401,951	403,398	404,845	406,292	407,739	409,187
Total equity	643,800	668,850	694,679	722,271	747,109	769,196	789,907	807,178	824,449	841,033

Projected financial statements – for stormwater

Projected funding impact statement (\$'000)

Projected funding impact statement – stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Sources of operating funding										
Targeted rates	11,692	13,446	16,592	20,434	21,635	23,203	24,290	24,736	25,245	26,455
Subsidies and grants for operating purposes	0	0	0	0	0	0	0	0	0	0
Internal charges and overheads recovered	98	382	269	0	0	0	0	0	0	0
Fees and charges	101	122	127	132	137	142	146	150	153	157
Total sources of operating funding	11,891	13,950	16,988	20,566	21,772	23,345	24,436	24,886	25,398	26,612
Applications of operating funding										
Payments to staff and suppliers	4,429	5,894	6,175	6,337	6,784	7,236	7,695	8,006	8,296	8,655
Finance costs	1,981	1,624	1,757	1,766	1,797	2,198	2,113	1,788	1,612	1,901
Internal charges and overheads applied	434	566	583	599	614	629	643	657	671	685
Total applications of operating funding	6,844	8,084	8,515	8,702	9,195	10,063	10,451	10,451	10,579	11,241
Surplus/(deficit) of operating funding	5,047	5,866	8,473	11,864	12,577	13,282	13,985	14,435	14,819	15,371
Source of capital funding										
Subsidies and grants for capital expenditure	37	63	33	0	0	0	0	0	0	0
Development and financial contributions	650	650	650	650	650	650	650	650	650	650
Increase/(decrease) in debt	7,980	5,353	(1,171)	1,640	(479)	1,071	(5,239)	(8,210)	970	10,349
Gross proceeds from sales of assets	0	0	0	0	0	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0	0	0	0	0	0
Total sources of capital funding	8,667	6,066	(488)	2,290	171	1,721	(4,589)	(7,560)	1,620	10,999
Applications of capital funding										
Capital expenditure - to meet additional demand	0	1,946	966	1,322	1,867	2,512	2,043	1,691	2,932	4,207
Capital expenditure - to improve levels of services	5,224	3,182	1,963	9,043	9,138	9,409	2,999	2,390	6,488	6,615
Capital expenditure - to replace existing assets	5,675	6,804	5,056	3,789	1,743	3,082	4,354	2,794	7,019	15,548
Increase/(decrease) in reserves	0	0	0	0	0	0	0	0	0	0
Increase/(decrease) in investments	2,815	0	0	0	0	0	0	0	0	0
Total applications of capital funding	13,714	11,932	7,985	14,154	12,748	15,003	9,396	6,875	16,439	26,370
Surplus/(deficit) of capital funding	(5,047)	(5,866)	(8,473)	(11,864)	(12,577)	(13,282)	(13,985)	(14,435)	(14,819)	(15,371)
Funding balance	0	0	0	0	0	0	0	0	0	0

Projected statement of comprehensive revenue and expense (\$'000)

Projected statement of profit and loss - stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Revenue										
Operating revenue	11,891	13,950	16,988	20,566	21,772	23,345	24,436	24,886	25,398	26,612
Other revenue	687	713	683	650	650	650	650	650	650	650
Total revenue	12,578	14,663	17,671	21,216	22,422	23,995	25,086	25,536	26,048	27,262
Expenses										
Operating expenses	4,429	5,894	6,175	6,337	6,785	7,236	7,695	8,006	8,295	8,655
Finance costs	1,981	1,624	1,757	1,766	1,797	2,198	2,113	1,788	1,612	1,901
Overheads and support costs	434	566	583	599	614	629	643	657	671	685
Depreciation & amortisation	9,770	11,242	11,396	11,864	12,576	13,282	13,985	14,435	14,820	15,371
Total expenses	16,614	19,326	19,911	20,566	21,772	23,345	24,436	24,886	25,398	26,612
Net surplus/(deficit)	(4,036)	(4,663)	(2,240)	650	650	650	650	650	650	650
Revaluation of infrastructure assets	0	13,649	12,999	12,349	11,049	9,749	9,099	7,475	7,475	7,150
Total comprehensive income	(4,036)	8,986	10,759	12,999	11,699	10,399	9,749	8,125	8,125	7,800
Cash surplus/(deficit) from operations (ex non-cash items)	5,734	6,579	9,156	12,514	13,227	13,932	14,635	15,085	15,469	16,021

Projected statement of cashflows (\$'000)

Projected statement of cashflows - stormwater	FY2024/25	FY2025/26	FY2026/27	FY2027/28	FY2028/29	FY2029/30	FY2030/31	FY2031/32	FY2032/33	FY2033/34
Cashflows from operating activities										
Cash surplus/(deficit) from operations	5,734	6,579	9,156	12,514	13,227	13,932	14,635	15,085	15,469	16,021
Increase/(decrease) in investments	(2,815)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Net cashflows from operating activities	2,919	6,579	9,156	12,514	13,227	13,932	14,635	15,085	15,469	16,021
Cashflows from investing activities										
Capital expenditure – infrastructure assets	(10,899)	(11,932)	(7,985)	(14,154)	(12,748)	(15,003)	(9,396)	(6,875)	(16,439)	(26,370)
Net cashflows from investing activities	(10,899)	(11,932)	(7,985)	(14,154)	(12,748)	(15,003)	(9,396)	(6,875)	(16,439)	(26,370)
Cashflows from financing activities										
New borrowings	7,980	5,353	(1,171)	1,640	(479)	1,071	(5,239)	(8,210)	970	10,349
Net cashflows from financing activities	7,980	5,353	(1,171)	1,640	(479)	1,071	(5,239)	(8,210)	970	10,349
Net increase/(decrease) in cash and cash equivalents	0	0	0	0	0	0	0	0	0	0
Cash and cash equivalents at beginning of year	250	250	250	250	250	250	250	250	250	250
Cash and cash equivalents at end of year	250	250	250	250	250	250	250	250	250	250

Projected statement of financial position (\$'000)

Projected statement of financial position - stormwater	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	250	250	250	250	250	250	250	250	250	250
Other current assets	256	256	256	256	256	256	256	256	256	256
Infrastructure assets	345,716	360,055	369,643	384,282	395,504	406,974	411,484	411,399	420,493	438,641
Other non-current assets	32,976	33,492	34,008	34,524	35,040	35,556	36,072	36,588	37,104	37,620
Total assets	379,198	394,053	404,157	419,312	431,049	443,036	448,062	448,493	458,102	476,767
Liabilities										
Other current liabilities	2,420	2,420	2,420	2,420	2,420	2,420	2,420	2,420	2,420	2,420
Borrowings – non-current portion	38,258	43,611	42,440	44,080	43,601	44,672	39,433	31,223	32,193	42,542
Other non-current liabilities	58	58	58	58	58	58	58	58	58	58
Total liabilities	40,736	46,089	44,918	46,558	46,079	47,150	41,911	33,701	34,671	45,020
Net assets	338,462	347,964	359,239	372,754	384,971	395,886	406,151	414,792	423,431	431,747
Equity										
Revaluation reserves	97,545	111,194	124,194	136,543	147,592	157,341	166,441	173,915	181,390	188,539
Other reserves	240,917	236,770	235,046	236,212	237,379	238,545	239,711	240,877	242,042	243,208
Total equity	338,462	347,964	359,239	372,754	384,971	395,886	406,151	414,792	423,431	431,747

Part F Water Services Delivery Plan: additional information

Significant capital projects

This section provides a schedule of all material capital projects included in the investment projections in the Water Services Delivery Plan. This is consistent with the 9 Year Plan 2025-34.

Significant capital projects (\$'000s)

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										
New capital supporting growth	1,176	1,275	607	3,445	1,782	2,666	2,370	2,370	3,037	3,441
Total investment to meet additional demand	1,176	1,275	607	3,445	1,782	2,666	2,370	2,370	3,037	3,441
Projects to improve levels of services										
Water Supply Resilience - Dam Safety Assurance Programme	-	-	450	96	570	880	-	-	-	-
Water Supply Resilience - Waikouaiti WTP Upgrade	-	-	1,000	-	-	-	-	-	-	-
Water Supply Resilience - Water plant new capital other	9,607	8,465	9,173	13,379	9,385	488	488	488	488	488
Water Supply Resilience - Mosgiel alternative water supply	-	-	-	-	-	500	1,000	3,101	6,250	3,125
Water Supply Resilience - Backup generators	-	-	250	-	-	-	-	-	-	-
Water Supply Resilience - Groundwater supply	-	-	-	-	-	1,000	3,974	6,417	7,416	1,000
Water Supply Resilience - Water Network New Capital Other	-	500	500	500	500	500	500	500	500	500
Water Efficiency - Integrated System Plan Projects	-	1,390	3,647	-	525	8,780	7,813	4,000	4,000	6,300
Carbon Reduction – WTP process optimisation	-	-	-	-	-	-	-	-	-	500
Water New Capital – SCADA upgrade	-	13	13	13	13	13	13	13	13	13
Total investment to meet improve levels of services	9,607	10,368	15,033	13,988	10,993	12,161	13,788	14,519	18,667	11,926
Projects to replace existing assets										
Water Supply Resilience - Port Chalmers water supply	1,068	8,976	6,387	3,993	-	-	-	-	-	-
Water Supply Resilience - Water network renewals	4,325	9,864	23,166	10,767	4,615	5,342	5,458	7,121	17,349	36,029
Water Supply Resilience - Dam Safety Assurance Programme	-	700	241	483	45	50	12	38	12	25
Water Supply Resilience - Waikouaiti WTP Upgrade	5,437	-	-	-	-	-	-	-	-	-
Water Supply Resilience - Water plant renewals other	-	6,650	2,350	975	1,016	-	-	-	-	-
Water Supply Resilience - Water Pump Stations Renewal	2,400	2,500	2,605	2,705	2,800	2,885	2,960	3,030	3,088	3,145
Water Supply Resilience - Wingatui to Mosgiel WM Renewal	8,400	100	-	-	-	-	-	-	-	-
Water Supply Resilience - Water plant minor renewals	-	463	607	642	709	777	844	961	1,078	1,098
Water Efficiency - Integrated System Plan Projects	-	-	-	-	-	-	5,920	7,272	7,410	1,258
Consequential growth renewal	1,286	547	271	1,597	2,149	3,307	3,017	3,088	4,038	4,658
Carbon Reduction – WTP process optimisation	-	-	104	162	168	173	178	182	185	629
Water Renewals - SCADA upgrade	-	38	40	41	43	44	45	46	47	48
Water Renewals - Asset Management Information Systems	-	800	-	-	-	-	-	-	-	-
Total investment to replace existing assets	22,916	30,638	35,771	21,365	11,545	12,578	18,434	21,738	33,207	46,890
Total investment in drinking water assets	33,699	42,281	51,411	38,798	24,320	27,405	34,592	38,627	54,911	62,257

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										
New capital supporting growth	851	741	814	3,732	1,956	2,925	2,600	2,600	3,334	3,776
Total investment to meet additional demand	851	741	814	3,732	1,956	2,925	2,600	2,600	3,334	3,776
Projects to improve levels of services										
Resilience and efficiency - Northern wastewater plant rationalisation	-	500	3,650	4,350	9,296	9,296	9,296	9,296	9,246	5,740
Resilience and efficiency - Musselburgh to Tahuna Link	-	-	750	750	12,374	12,374	5,744	-	-	-
Resilience and efficiency - Decommission Mosgiel WWTP and pump to GI WWTP	-	-	-	1,670	2,420	7,684	6,434	6,434	-	-
Resilience and efficiency - Wet weather flow management	-	-	-	-	11,343	11,343	12,644	9,242	8,343	3,800
Resilience and efficiency Main Interceptor Sewer upgrade	-	-	-	-	-	-	-	1,353	1,655	1,686
Resilience and efficiency Metro Wastewater Treatment Plant Resilience	8,707	4,288	4,118	2,007	2,067	1,179	1,328	6,458	1,588	1,588
Resilience and efficiency - Backup generators	-	-	250	500	250	-	-	-	-	-
Resilience and efficiency - Other improvements	-	150	200	-	500	500	500	500	500	500
Carbon reduction - Bioresources facility	-	300	2,000	5,100	8,000	2,000	-	-	-	-
Rural wastewater schemes - Middlesmarch	-	900	400	1,186	1,155	794	-	-	-	-
Service Extension	-	-	-	-	700	3,400	6,500	6,500	4,012	2,000
Water New Capital – SCADA upgrade										
Wastewater New Capital - other	4,679	463	63	63	63	63	63	63	63	63
Total investment to meet improve levels of services	13,386	6,601	11,431	15,626	48,168	48,633	42,509	39,846	25,407	15,377
Projects to replace existing assets										
Resilience and efficiency - Northern wastewater plant rationalisation	-	-	-	-	1,012	1,043	1,070	1,096	1,116	1,145
Resilience and efficiency - Musselburgh to Tahuna Link	-	8,000	-	-	2,941	3,030	10,959	-	-	-
Resilience and efficiency - Decommission Mosgiel WWTP and pump to GI WWTP	-	-	-	898	930	5,269	5,406	5,534	-	-
Resilience and efficiency - Wet weather flow management	-	-	-	-	736	758	778	796	811	-
Resilience and efficiency - Main interceptor sewer upgrade	-	-	-	-	500	1,000	1,000	3,884	4,660	4,660
Resilience and efficiency - Metro wastewater treatment plant resilience	-	3,120	2,957	966	1,567	-	-	-	-	-
Consequential growth renewal	648	317	364	1,730	1,824	2,809	2,562	2,623	3,430	3,955
Rural wastewater schemes - Middlesmarch	-	-	-	1,938	2,006	1,401	-	-	-	-
Wastewater renewals - Biofilter media replacement	-	-	-	-	-	-	-	303	309	-
Wastewater renewals – pump stations	3,600	4,500	4,689	4,869	2,800	2,885	2,960	3,030	3,088	3,145
Wastewater renewals - Asset Management Information Systems	-	-	834	-	-	-	-	-	-	-
Wastewater renewals – SCADA upgrade	-	38	40	41	43	44	45	46	47	48
Wastewater renewals - other	9,939	9,593	11,592	8,081	5,120	6,511	8,031	9,463	22,291	41,331
Total investment to replace existing assets	14,187	25,568	20,476	18,523	19,479	24,750	32,811	26,775	35,752	54,284
Total investment in wastewater assets	28,424	32,910	32,721	37,881	69,603	76,308	77,920	69,221	64,493	73,437

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										
New capital supporting growth	924	437	-	-	872	1,304	1,159	1,159	1,487	1,684
Total investment to meet additional demand	924	437	-	-	872	1,304	1,159	1,159	1,487	1,684
Projects to improve levels of services										
Resilience - South Dunedin flood alleviation	750	1,000	1,500	9,768	9,000	8,696	500	1,750	6,000	6,000
Resilience - Mosgiel Stormwater upgrades	1,750	2,241	625	-	-	500	2,000	-	-	-
Resilience – Backup generators	-	-	-	-	250	-	-	-	-	-
Bath St improvements	5,059	-	-	-	-	-	-	-	-	-
Stormwater - new capital other	322	72	50	125	125	200	50	50	50	50
Total investment to meet improve levels of services	7,881	3,313	2,175	9,893	9,375	9,396	2,550	1,800	6,050	6,050
Projects to replace existing assets										
Resilience - Mosgiel stormwater upgrades	-	625	651	-	-	577	2,368	-	-	-
Consequential growth renewal	2,015	1,900	-	-	1,941	2,990	2,727	2,791	3,648	4,209
Bath St improvements	3,762	750	-	-	-	-	-	-	-	-
Stormwater renewals - Asset Management Information Systems	-	400	-	-	-	-	-	-	-	-
Stormwater renewals - other	3,418	4,507	5,159	4,261	560	736	592	1,125	5,254	14,427
Total investment to replace existing assets	9,195	8,182	5,810	4,261	2,501	4,303	5,687	3,916	8,902	18,636
Total investment in stormwater assets	18,000	11,932	7,985	14,154	12,748	15,003	9,396	6,875	16,439	26,370

Risks and assumptions

Disclosure of risks and material assumptions for water services delivery

The following table summarises key risks and significant assumptions associated with water services delivery. The WSDP is based on information that Council holds at the date of adoption by Council and is subject to various risks and assumptions including those stated below.

Parameters	Drinking supply	Wastewater	Stormwater
Key Risks • Future water service delivery • Network performance • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Long term issues e.g. providing for growth, climate change • Natural hazards • Legislative changes that affect 3 Waters • Political uncertainty	• Risk of catastrophic failure of critical infrastructure - Deep Creek and/or Deep Stream pipelines, intakes or pipe bridge	• Risk of catastrophic failure of critical infrastructure - Musselburgh PS rising main/s	• Risk of poor preparation for heavier rainfall (flood management) • Rainfall events exceeding design tolerances
	Key risks that apply across all 3 Waters: • Significant H&S incident which impacts upon staff, contractors, or stakeholders. • Catastrophic failure of a major plant/process such as fire, explosion, rupture of hazardous chemical leak which carries a significant H&S risk. • Aging infrastructure resulting in more bursts/breaks and impacting on service levels. • Loss of power to critical sites, interrupting services to the community for an extended period of time. • Capital programme not being fully or sufficiently delivered. • Projected water services charges are not considered to be affordable by the Dunedin community. • Dunedin's grows at rates faster than forecast, and 3 waters infrastructure upgrades and renewals constrain growth. • Organisational capacity budgeted for is insufficient to meet the new legislative requirements. This risk also applies in relation to other central government changes (e.g. Commerce Commission Information Disclosure Requirements, Taumata Arowai's Wastewater Environmental Performance Standards). • Changes to central government policy limiting Councils ability to deliver water services e.g. rates capping, significant changes to water regulations. • Natural hazards. • Council election cycles create potential uncertainty around ongoing strategic direction.		
Significant assumptions • Future water service delivery • Network performance • Regulatory compliance • Delivery of Capital Programme • Organisational capacity • Long term issues e.g. providing for growth, climate change	Regulatory compliance – that future resource consents for water take issued under a new Land and Water Regional Plan for Otago will include more restrictions on volume and rate of take, and that additional raw water storage and/or new water sources will be required to maintain drinking water supply to Dunedin.	Regulatory compliance – that a wastewater environmental performance standard for overflows and bypasses will be introduced that provides a consenting pathway for overflows and bypasses as a controlled activity.	• Regulatory compliance – that additional resource funding allocated to address compliance gaps is sufficient (e.g. stormwater investigations). • Other entities who contribute to stormwater outcomes (e.g. DCC Transport, NZTA, private infrastructure owners) act in good faith such that performance targets can be met.
	Assumptions relating to climate change, growth and economic conditions are contained in Council's 9 Year Plan 2025-34. Significant assumptions that apply across all 3 Waters: • Organisational capacity budgeted for in this WSDP is sufficient to meet the new legislative requirements and other central government changes (e.g. Commerce Commission Information Disclosure Requirements, Taumata Arowai's Wastewater Environmental Performance Standards). • Existing levels of service will be maintained, unless otherwise stated. • Funding will be available to deliver the projects described in this WSDP. • The levels of renewals budgeted in this WSDP will ensure the long term integrity of infrastructure assets.		

Parameters	Drinking supply	Wastewater	Stormwater
	- Ongoing improvements to work and procurement practices will support delivery of operational and capital expenditure programmes and projects. - The following, particularly relevant assumptions from Dunedin’s 9 Year Plan 2025-34 Significant Forecasting Assumptions: - Dunedin’s population will grow at a high growth scenario rate (0.7%-0.8% per year) until 2034 reaching 146,100. From 2034 onwards the population rate will then return to a medium growth scenario rate of 0.1%- 0.2% per year (DCC 9 Year Plan 2025-34 Significant Forecasting Assumptions). - The number of households in Dunedin is estimated to grow by 4,500 over the next 10 years reaching a total of 57,100 households. Household growth will then slow and grow by 1,700 between 2034 and 2054. - Sufficient design, engineering and construction capacity, including availability of construction materials, exists to undertake contracted operational and capital expenditure programmes. - Climate change projections as follows:		
	Mean temperature change (SSP2-4.5 and SSP5-8.5, relative to 1995- 2014 baseline)	SSP2-4.5: By 2050: +1°C (0.6-1.32°C) SSP2-4.5: By 2100: +1.6°C (1.03-2.26°C) SSP5-8.5: By 2050: +1.3°C (0.91-1.66°C) SSP5-8.5: By 2100: +3.1°C (2.20-4.05°C)	
	Sea level Rise (SLR) (metres above 1995-2014 baseline; excluding localised vertical land movement)	SSP2-4.5: By 2050: +0.22m (0.16- 0.29m) SLR SSP2-4.5: By 2100: +0.56m (0.43- 0.75m) SLR SSP5-8.5: By 2050 +0.25m (0.20-0.32m) SLR SSP5-8.5: By 2100 +0.81m (0.64-1.06m) SLR	
	Average number of hot days per year [temperature >30°C] (relative to average present, 1 extreme hot day every 5 years)	By 2040: On average, 0.5 to 0.6 extreme hot days every year By 2090: On average, 0.8 to 1.8 extreme hot days every year	
	Average number of frost days per year [temperature	By 2040: On average, 7.5 to 7.4 frost days every year By 2090: On average, 6.4 to 3.3 frost days per year	
	Annual Rainfall volume	By 2040: +2% By 2090: +5% to +13%	
	Volume of rain during 1hr duration 1:100-year extreme rainfall event (mm of rain increases relative to present 32mm)	By 2040: +3.2mm to +3.7mm in an hour period By 2090: +5.2mm to +11.2mm in an hour period	
	Snow Days	Under all scenarios the number of snow days reduces everywhere in Otago.	
	Waves and Storm Surges	Under all scenarios storm surge peaks for the south Otago coast are estimated to increase over the century.	

Appendix A Summary of submissions on Local Water Done Well Water Services Delivery Model Consultation

Memorandum

TO:	Legal
FROM:	3 Waters and Communications & Marketing
DATE:	07 May 2025
SUBJECT:	Summary of submissions on Local Water Done Well Water Services Delivery Model Consultation

SUMMARY

- 1 This memorandum summarises submissions received on the Dunedin City Council (DCC) consultation on the water services delivery model (WSDM) options under the Government-led Local Water Done Well (LWDW) reform.
- 2 A total of 799 submissions on the DCC's LWDW consultation were received. A specific LWDW written submission form was provided. One online submission form covering both the 9-Year Plan and LWDW was provided.
- 3 Of the 799 total submissions received, 467 submissions selected a WSDM with 332 submissions not selecting a WSDM. Submissions that did not select a WSDM have been discounted from this memo except for comments provided by six of these submitters who made comments relevant to LWDW. The comments are covered in this memo.
- 4 Of those submissions that selected a WSDM:
 - a) 67% of submissions (313) selected In-House delivery of three waters services (the In-House Option)
 - b) 33% of submissions (154) selected an asset owning council-controlled organisation for three waters with Council as the sole shareholder (the CCO Option).

BACKGROUND

- 5 As part of the LWDW reform, Council is required to adopt and submit a Water Services Delivery Plan (WSDP) to the Secretary for Local Government by 3 September 2025. Information on the proposed model for delivering water services must be included in Council's WSDP.
- 6 Public consultation on LWDW WSDM options ran in parallel with consultation on Council's draft 9-Year Plan 2025-34 (9YP) from 31 March 2025 to 30 April 2025. Hearings on the consultation were held in the period 5-8 May 2025.
- 7 The DCC's LWDW consultation document, which was prepared in accordance with the requirements of the Local Government (Water Services Preliminary Arrangements) Act 2024 (Preliminary Act), sought the community's feedback on two possible WSDMs for Dunedin:
 - a) In-House delivery of three waters services (the In-House Option); and

- b) an asset owning council-controlled organisation for three waters with Council as the sole shareholder (the CCO Option).
- 8 Consultation on Council's preferred WSDM was undertaken as a separate process from the 9YP consultation, but at the same time. Consultation on Council's preferred WSDM is under the Preliminary Act whereas consultation on the 9YP is under the Local Government Act 2002.
- 9 The LWDW consultation document explained the Council's proposals for the future delivery of Dunedin's water services. Its content was based on the decisions made at the Council meeting on 26 February 2025 and the legal requirements.
- 10 The LWDW consultation document asked the community to have their say about the future of water services and to indicate whether they agree with Council's preferred In-House model option or whether they would prefer the alternative, the CCO model option.
- 11 The LWDW consultation document provided:
- a) a description of LWDW reform and key principles
 - b) the WSDMs being consulted on and Council's preference
 - c) an overview of the two WSDMs
 - d) financial and non-financial comparisons
 - e) reasons for and against each WSDM
 - f) an outline of what the choice means for residents
 - g) information on current water services and infrastructure.
- 12 The key engagement methods used during the consultation period included the following.
- a) Digital content on the DCC Website
 - b) Content in DCC e-newsletters and FYI
 - c) Social media presence
 - d) Media releases
 - e) Advertising in print and online media
 - f) In-person engagement opportunities during drop-in sessions at the Civic Centre and Dunedin Public Library
 - g) Discussions with representatives from each of the three marae were held in the lead-up to consultation period and emails went out during the consultation period
 - h) Radio broadcast advertising the drop-in sessions
 - i) Posters and flyers
 - j) Library screen broadcast
 - k) Material provided to Community Boards, Libraries and Service Centres for distribution

- l) Internal communications to DCC staff
 - m) Engagement meeting with Allanton community representatives
- 13 The communication and engagement plan encouraged online submissions via an online form. There was also the option to provide feedback through printed/hard copy submission forms. Written submissions received via post or email were also accepted.

Key Terms used in this Memo

- 14 The term 'submission' describes the written material submitted to the DCC in response to the options.
- 15 The term 'submitter' describes an individual or organisation who provided the submission material.

Submissions

- 16 A total of 799 submissions were received during the engagement process. The majority of submissions utilised the online submission form. A total of 75 submissions were received on hard copies of the submission form. 23 of those submissions commented on LWDW or selected their preferred WSDM. Some written submissions did not follow the form.
- 17 Of the 467 submissions that selected a WSDM, 238 submissions included comments and/or file attachments. Of the submissions 229 only selected their preferred WSDM (without comment).
- 18 Of those submissions that selected a WSDM:
- a) 67% of submissions (313) selected In-House delivery of three waters services (the In-House Option)
 - b) 33% of submissions (154) selected an asset owning council-controlled organisation for three waters with Council as the sole shareholder (the CCO Option).
- 19 The main web page on Local Water Done Well (LWDW) on the DCC's website was visited 5,925 times during the consultation period. The consultation document was downloaded 144 times during the consultation period from this page. There was a total of 44 downloads of the supporting documents for LWDW (reports to Council and Financial assessments).

A further overview of website visits during this timeframe is provided in the table below.

Page title	Active users*	Total page views
Local Water Done Well landing page	1210	5925
What is Local Water Done Well?	129	421
The water service delivery models	67	326
Tell us what you think	87	289
Financial Assessment	66	255
Comparing the WSDMs	72	227

Page title	Active users*	Total page views
FAQ page	69	221
What is a CCO?	51	152
What water services do we deliver?	42	40

** A visitor to the webpage who stayed longer than 10 seconds, visited more than one page or performed any action while visiting, like downloading a document.*

Social Media

- 20 The Council promoted the consultation on social media. The table below shows the posts and interactions related to the LWDW consultation. In addition to the posts reflected in the table below, Facebook events were created per drop-in session to promote engagement events.

Date/Time	Text Intro	Impressions*	Interactions**	Link clicks***
Mon 31 Mar – 15:15	Consultation opening post (Facebook)	10497	16	71
Wed 02 Apr – 9:54	Consultation opening post (Instagram)	255	2	0
Thu 03 Apr – 11:00	Consultation and drop-in session promotion (Facebook)	7263	9	38
Mon 07 Apr – 9:00	Consultation and drop-in session promotion (Facebook)	10528	60	7
Mon 07 Apr – 9:00	Drop-in session promotion (Instagram)	330	4	0
Thu 10 Apr – 9:00	Consultation and drop-in session promotion (Facebook)	2025	4	2
Mon 14 Apr – 9:00	Consultation and drop-in session promotion (Facebook)	13925	63	28
Thu 17 Apr – 9:00	Consultation and drop-in session promotion (Facebook)	10597	32	25
Mon 21 Apr – 9:00	Reminder: there is still time to submit and drop-in session promotion (Facebook)	12520	55	6
Thu 24 Apr – 9:00	Reminder: there is still time to submit and drop-in session promotion (Facebook)	32043	25	76
Mon 28 Apr – 9:00	Reminder, promotion, emphasize value of submitting, every individual submission is read and analysed. (Facebook)	9634	7	38
Tue 29 Apr – 14:34	Promotion podcast with David Ward on OAR, plus promoting consultation/submission (Facebook)	2014	1	0

* *Impressions* are the number of times any content entered a person's screen.

** *Interactions* include likes, reactions, saves and shares.

*** The number of times people clicked on the post to go to the DCC website.

- 21 Comments on social media have not been treated as formal submissions, although sentiment has been tracked by staff. All comments on social media are as posted on social media channels.

- 22 Data on the age of submitters to LWDW was collected. Because the online submission form was a combined 9YP and LWDW form all submissions are detailed below. 332 of the total submission did not select any WSDM. The ages of these submissions are in the right-hand two columns.

	Total		Support in-house		Support CCO		No model selected	
Age Group	Number of Submitters	Percentage of submitters (%)	Number of Submitters	Percentage of submitters (%)	Number of Submitters	Percentage of submitters (%)	Number of Submitters	Percentage of submitters (%)
Under 15 years	2	0.3%	0	0%	0	0%	2	0.6%
15-19 years	10	1%	2	1%	1	1%	7	2%
20-29 years	43	5%	16	5%	12	8%	15	5%
30-39 years	95	12%	39	12%	30	19%	26	8%
40-49 years	143	18%	58	19%	35	23%	50	15%
50-59 years	133	17%	54	17%	19	12%	60	18%
60-69 years	118	15%	54	17%	22	14%	42	13%
70 years and over	120	15%	54	17%	24	16%	42	13%
Not specified (including organisations)	135	17%	36	12%	11	7%	88	27%
Total	799	100%	313	100%	154	100%	332	100%

- 23 Data on the ethnicity of online submitters to LWDW was collected. Because the online submission form was a combined 9YP and LWDW form all submissions are detailed below. The ethnicity of those submissions that did not select any WSDM are in the right-hand two columns.

	Total		Support in-house		Support CCO		No model selected	
Ethnicity	Number of Submitters	Percentage of submitters (%)	Number of Submitters	Percentage of submitters (%)	Number of Submitters	Percentage of submitters (%)	Number of Submitters	Percentage of submitters (%)
Māori	43	4.9%	14	4.2%	11	6.2%	18	5.0%
New Zealand European	475	54.5%	203	61.0%	104	58.8%	168	46.4%
European	63	7.2%	29	8.7%	13	7.3%	21	5.8%
Pacific People	14	1.6%	3	0.9%	7	4.0%	4	1.1%
Asian	18	2.1%	8	2.4%	4	2.3%	6	1.7%
Middle Eastern/Latin American/African (MELA)	5	0.6%	2	0.6%	1	0.6%	2	0.6%
Other	46	5.3%	18	5.4%	12	6.8%	16	4.4%
Not specified	208	23.9%	56	16.8%	25	14.1%	127	35.1%
Total	N/A*	100%	N/A*	100%	N/A*	100%	N/A*	100%

* Because submitters were able to select multiple ethnicities the total of ethnicities does not equal the total number of submissions.

- 24 Staff noted that the submission form allowed submitters to select more than one ethnicity of the following choices: Māori, New Zealand European, European, Pacific People, Asian, Middle Eastern/Latin American/African (MELA) or Other. The table above provides a summary of all ethnicities submitters indicated, regardless of how many ethnicities were indicated.
- 25 Submitters could choose alternative ethnicities by selecting “Other” and then entering text into the blank text box. Some submitters filled the blank text box with one or several ethnicities mentioned above, which were then included in the relevant ethnicity count.
- 26 The breakdown of ethnicity is comparable to 9YP consultation, with an underrepresentation of Māori (9.3% of Dunedin population, Census 2018), Asians (7.8% of Dunedin population, Census 2018) and Pacific People (3.2% of Dunedin population, Census 2018), compared to NZ Stats population counts.

DISCUSSION

- 27 Submissions covered a wide range of topics related to LWDW and many commented on multiple topics. A breakdown of submissions by topic is outlined below:

Topics	Number of Comments	Percentage (%)
Legislation & Governance	75	14%
Financial	59	13%
Infrastructure & Services	30	6%
General	152	31%
No specific LWDW comments	173	37%
TOTAL	467*	100%

* Total number of comments where submitters indicated a preferred water service delivery model

- 28 An analysis of submissions divided by the two WSDM options – the In-House model and the CCO model – is outlined below.

Submissions that supported the In-House model (our proposal)

- 29 313 submissions supported In-House delivery of three waters services (the In-House Option).

- 30 Below is a summary of the key reasons why submitters selected the In-House model as their preferred, taken from their comments and/or attachments.

- 31 **Reason 1:** Legislation & Governance

- a) Comments in favour of an in-house water services delivery model cited benefits such as:

- i. local control (48 submissions)
- ii. public accountability (19 submissions)
- iii. concerns over potential future privatisation (15 comments)
- iv. greater transparency (5 submissions).

- b) One comment cited the advantage in an in-house model of local government election cycles in allowing the community to change the governance of water.

- c) *Staff comment on reason 1:*

It should be noted that some transparency requirements under both models will be set by the Commerce Commission who will specify Information Disclosure requirements.

- 32 **Reason 2:** Financial

- a) Of those submissions commenting on financial aspects of LWDW, 38 supported the in-house option. General themes for those in support of the in-house option included less debt and lower future water charges, less overhead costs (i.e. no structure costs such as governance and company administration) and previous history of underperformance for DCC subsidiaries.

33 **Reason 3: General**

- a) Fourteen comments felt that an in-house model would be more efficient with less bureaucracy and would reduce unnecessary duplication.
- b) One comment felt that there was too much uncertainty with a CCO model.

Submissions that supported the Water Services Council-Controlled Organisation model (CCO)

34 154 submissions supported an asset owning council-controlled organisation for three waters with Council as the sole shareholder (the CCO Option).

35 Below is a summary of the key reasons why submitters selected the CCO model as their preferred, taken from their comments and/or attachments:

36 **Reason 1: Legislation & Governance**

- a) Comments in favour of a CCO cited benefits such as:
 - i. better decision-making (15 comments)
 - ii. the need for water services to be managed by a non-political body to avoid short-term political decision-making that can lead to underfunding and neglect (12)
 - iii. professional management (5)
 - iv. expertise (5)
 - v. to ensure long-term, strategic planning (5)
 - vi. experience (4).
- b) Fourteen comments cited Council's historical track record of political decisions to keep rates down resulting in deferral of infrastructure renewals as a reason to prefer a CCO model.
- c) Thirteen comments supported the creation of an Otago-Southland water entity or joining with neighbouring councils in a broader regional or national model. Submitters commented that this approach is seen as beneficial for managing water resources more effectively and addressing climate change and catchment management issues and for the long-standing and strong mana whenua, historical, familial, business and community ties across Otago.
- d) One comment felt that the two options consulted on were limited.

37 **Reason 2: Financial**

- a) Of those submissions commenting on financial aspects of LWDW, 17 supported the CCO option. General themes for those in support of the CCO option included the use of debt which could allow for the acceleration of the capital programme, the CCO means a reduction in debt from the DCC entity, providing better service delivery and an expectation of longer-term financial sustainability. Furthermore, some submissions were critical of the ability for Council to be financially efficient and that a CCO is more focused.

38 Reason 3: General

- a) Comments specifically favouring a CCO model were six comments indicating that having a dedicated organisation to focus on and manage local water infrastructure was a reason to favour a CCO model.
- b) Two submitters felt that the CCO model would result in better outcomes for freshwater ecology.
- c) *Staff comment on reason 3:*
Regarding comments on outcomes for freshwater ecology the water services provider will be required to meet the same regulatory requirements related to freshwater ecology, regardless of which WSDM is chosen.

Submissions of a general nature, where preferences were divided

39 For some themes comments indicated mixed opinions within the community.

40 Eight comments felt that a CCO model would make it more likely that mana whenua are involved in all water decisions while five comments felt that mana whenua involvement would be better achieved in an in-house model.

- a) *Staff comment on submissions regarding mana whenua involvement in water related decisions, where preferences were divided:*

It was noted that some comments may have been influenced by possible confusion regarding co-governance arrangements under the now repealed water legislation passed by the previous governments proposed 3 Waters Reform model.

41 Seven comments favoured an in-house water services model for better alignment with council priorities and integration, while one submission argued that a CCO model could also work effectively, citing examples like NZTA and Transpower.

42 Opinions on council track record of performance as a basis for selection of the water services delivery model were divided, with three comments favouring a CCO model and four preferring an in-house model.

43 General comments not relating to the WSDMs included 7 comments on water metering within the LWDW feedback. Five comments supported water metering for fairness, to encourage people to fix leaks and to help people understand their water use, while two opposed water metering without giving specific reasons.

- a) *Staff comment on submissions regarding water metering, where preferences were divided:*

Comments relating to water metering are outside this WSDM consultation. Water metering can be implemented under both the In-house and CCO models.

Submissions on infrastructure and services related to LWDW

44 Thirty comments on infrastructure and services were received related to LWDW. On analysis, many of these were 3 Waters general comments related to the 9-Year Plan, not comments specifically relating to LWDW as it relates to infrastructure and services. This will be covered in a separate paper summarising all submissions on Council's 9-Year Plan.

Submissions that supported neither option

- 45 Out of a total of 799 submissions, 332 submissions (41% of the total number of submissions received) did not select either model. Six of these submissions provided comments relevant to LWDW.
- 46 Below is a summary of the comments received from submitters that selected neither WSDM option as their preferred, taken from their comments and/or attachments:
- a) Four comments indicated that the submitter did not know what they would choose or had no opinion on the preferred WSDM.
 - b) One comment indicated that the submitter had not chosen an option because there was inadequate information on the option Council does not prefer in order to be able to make an informed choice.
 - c) One comment indicated that the submitter was self-supplied and so did not have a preference for the preferred WSDM.

Mana Whenua Submissions

- 47 The written and verbal submissions from Te Rūnanga o Ōtākou did not make any comments regarding Local Water Done Well nor did these indicate a preferred WSDM.
- 48 No submission was received from Kati Huirapa Runaka ki Puketeraki.
- 49 The written submission from Aukaha did not make any comments regarding Local Water Done Well nor did it indicate a preferred WSDM.

Community Board Submissions

Otago Peninsula Community Board

- 50 The Otago Peninsula Community Board chose the in-house WSDM but the written and verbal submissions did not make any specific comments regarding Local Water Done Well.

Strath Taieri Community Board

- 51 The Strath Taieri Community Board chose the in-house WSDM but the written submission did not make any specific comments regarding Local Water Done Well. The Strath Taieri Community Board did not speak at the hearings.

West Harbour Community Board

- 52 The West Harbour Community Board chose the in-house WSDM. Their written submission indicated that the reasons for supporting the in-house WSDM were that the Board consider this a more cost-effective option for ratepayers. It means local control over water assets and uses the in-house expertise of staff who are familiar with the areas water assets and what needs to be done to manage assets appropriately for Dunedin. In their verbal submission at the hearings they emphasised the reasons given in the written submission.

Saddle Hill Community Board

- 53 The written and verbal submissions from the Saddle Hill Community Board did not make any comments regarding Local Water Done Well nor did these indicate a preferred WSDM.

Waikouaiti Coast Community Board

- 54 The Waikouaiti Coast Community Board chose the in-house WSDM. Their written submission indicated that the reasons for supporting the in-house WSDM were that the DCC 3 Waters Department has plenty of skilled, experienced and professional staff and they did not see the need for creating a new entity to carry out the same work. They were impressed with the knowledge and professionalism of the 3 Waters team, during the 2021 lead-in-water issue and the thought of creating an external CCO to manage this fills the Board with dread. Their verbal submission did not make any comments regarding Local Water Done Well.

Mosgiel-Taieri Community Board

- 55 The written and verbal submissions from the Mosgiel-Taieri Community Board did not make any comments regarding Local Water Done Well nor did these indicate a preferred WSDM.

Appendix B Council resolution to adopt Water Services Delivery Plan

Dunedin City Council meeting

12 August 2025

MINUTE EXTRACT

20 LOCAL WATER DONE WELL - WATER SERVICES DELIVERY PLAN

A report from Finance and 3 Waters advised that Council was required to prepare a Water Services Delivery Plan (WSDP) under the Local Government (Water Services Preliminary Arrangements) Act 2024 (Preliminary Act).

The Preliminary Act required the WSDP to be adopted by resolution and submitted to the Secretary for Local Government by 3 September 2025. The report recommended that Council adopted the draft DCC.

The Chief Executive Officer (Sandy Graham); General Manager 3 Waters and Transition (David Ward), Chief Financial Officer (Carolyn Allan), In-House Legal Counsel (Nadia McKenzie) and Planning Manager – 3 Waters (Jared Oliver) spoke to the report and responded to questions.

Moved (Mayor Jules Radich/Cr Jim O'Malley):

That the Council:

- a) **Adopts** the draft Dunedin City Council Water Services Delivery Plan.
- b) **Authorises** the Chief Executive to make any minor editorial amendments to the Water Services Delivery Plan prior to submitting the Water Services Delivery Plan to the Secretary for Local Government.
- c) **Notes** that the Chief Executive will certify the draft Dunedin City Council Water Services Delivery Plan, subject to Council adopting it by resolution as required by the Local Government (Water Services Preliminary Arrangements) Act 2024.

Division

The Council voted by division

For: Crs Bill Acklin, Sophie Barker, David Benson-Pope, Christine Garey, Kevin Gilbert, Carmen Houlahan, Marie Laufiso, Cherry Lucas, Mandy Mayhem, Jim O'Malley, Steve Walker, Brent Weatherall, Andrew Whiley and Mayor Jules Radich (14).

Against: Cr Lee Vandervis (1).

Abstained: Nil

The division was declared CARRIED by 14 votes to 1

Motion carried (CNL/2025/207)

Appendix C Significant resource consents

Water supply

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2006.042.V1	Water permit (take water)	To take surface water as primary allocation from Cedar Farm Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	LOW RISK NON-COMPLIANCE	N/A	Exceedances of abstraction rate and volume limits, data quality issues.	Operational improvements to address the issues are in progress - these include implementing alarms for high flow rates due to heavy rain and associated operational response procedures to avoid exceedances.
2001.364	Water permit (take water)	To take surface water as primary allocation from Deep Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	LOW RISK NON-COMPLIANCE	N/A	Exceedances of abstraction rate and volume limits.	Physical works needed to resolve the issue have been identified (move or install additional flow meter to ensure only water taken - but not water that is diverted and returned downstream - is measured and reported).

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2001.362	Water permit (take water)	To take surface water as primary allocation from Deep Stream for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	LOW RISK NON-COMPLIANCE	N/A	Exceedances of abstraction rate and volume limits.	Electronic monitoring and reporting improvements in progress.
2002.323	Water permit (take water)	To take and use (i) up to 3,024 cubic metres of water per day as primary allocation and (ii) up to a further 518 cubic metres of water per day as a supplementary allocation from the Waipori River for the purpose of the West Taieri Rural Scheme water supply	1-Dec-36	WES002	No	LOW RISK NON-COMPLIANCE	N/A	Exceedances of abstraction rate limit.	Physical works needed to resolve the issue have been identified (installation of variable speed drive in pump).
2001.337.V1	Water permit (take water)	To take surface water as primary allocation from McQuilkans Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2001.338.V1	Water permit (take water)	To take surface water as primary allocation from Sligos Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A
2001.339.V1	Water permit (take water)	To take surface water as primary allocation from Whare Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A
2001.341.V1	Water permit (take water)	To take surface water as primary allocation from Silverstream for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM18.351.01	Water permit (take water)	To take surface water as primary allocation from the Taieri River via the Outram bore for the purpose of providing a public water supply to Outram Community	19-Mar-39	OUT001	No	LOW RISK NON-COMPLIANCE	N/A	Exceedances of abstraction rate and volume limits.	Some physical works (pump drive replacement) completed. Further physical works needed to resolve the issue have been identified (pipework reconfiguration / relocation of flow meter to ensure the flow meter is only measuring and reporting water abstraction related to this consent).
RM18.351.02	Water permit (take water)	To take surface water as primary allocation from the Taieri River via the Taieri Bores for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001, OUT001	No	LOW RISK NON-COMPLIANCE	N/A	Exceedance of abstraction rate limit.	None identified.

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2006.002.V1	Water permit (take water)	To take and use surface water as primary allocation for the purpose of supplying water to the Waikouaiti Community Water Supply Scheme	1-Nov-41	WAI015	No	LOW RISK NON-COMPLIANCE	N/A	2006.002.V1-2006.075.V1: Exceedances of abstraction rate and volume limits.	2006.002.V1-2006.075.V1: issues resolved by recent intake (structure and pump station) upgrade. Planned addition of further raw and treated water storage capacity is also expected to support ongoing compliance with rate and volume limits.
2006.075.V1	Water permit (take water)	To take and use surface water as primary allocation for the purpose of supplying water to the Waikouaiti Community Water Supply Scheme	1-Nov-41	WAI015	No	LOW RISK NON-COMPLIANCE	N/A		
2001.352	Water permit (take water)	To take surface water as primary allocation from West Branch Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	N/A - consent exercised, but not in use for registered drinking water supply	No	LOW RISK NON-COMPLIANCE	N/A		2001.352-2001.356: a project to resolve data confidence and quality issues is in progress. This, in addition to operational adjustments, is expected to resolve issues with exceedances of abstraction rate and volume limits.

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2001.353	Water permit (take water)	To take surface water as primary allocation from Morrisons Burn for the purpose of providing a public water supply to Dunedin City	19-Mar-39	N/A - consent exercised, but not in use for registered drinking water supply	No	LOW RISK NON-COMPLIANCE	N/A	2001.352-2001.356: exceedances of abstraction rate and volume limits, and low confidence in quality and representativity of data.	
2001.354	Water permit (take water)	To take surface water as primary allocation from Morrisons Burn for the purpose of providing a public water supply to Dunedin City	19-Mar-39	N/A - consent exercised, but not in use for registered drinking water supply	No	LOW RISK NON-COMPLIANCE	N/A		

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2001.355	Water permit (take water)	To take surface water as primary allocation from Nicols Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	N/A - consent exercised, but not in use for registered drinking water supply	No	LOW RISK NON-COMPLIANCE	N/A		
2001.356	Water permit (take water)	To take surface water as primary allocation from Ross Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	N/A - consent exercised, but not in use for registered drinking water supply	No	LOW RISK NON-COMPLIANCE	N/A		
2002.312	Water permit (dam water)	To dam surface water of Brosnahans Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2002.313	Water permit (dam water)	To dam surface water of Cedar Farm Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A
2002.309	Water permit (dam water)	To dam surface water of Deep Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A
2002.311	Water permit (dam water)	To dam surface water of Deep Stream for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A
2000.009	Water permit (dam water)	To dam water for the purpose of the operation of a water supply reservoir	1-Sep-37	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2002.310.	Water permit (dam water)	To dam surface water of an unnamed tributary of the Kaikorai Stream for the purpose of providing a public water supply to Dunedin City	19-Mar-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A
2002.314	Water permit (dam water)	To dam surface water of Ross Creek for the purpose of providing a public water supply to Dunedin City	19-Mar-39	N/A - consent exercised, but not in use for registered drinking water supply	No	FULL COMPLIANCE	N/A	N/A	N/A
2002.315	Water permit (dam water)	To dam surface water of the Water of Leith for the purpose of providing a public water supply to Dunedin City	19-Mar-39	N/A - consent exercised, but not in use for registered drinking water supply	No	FULL COMPLIANCE	N/A	N/A	N/A

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2009.423	Discharge Permit	To discharge filtered water from the filter to waste line to Thompsons Creek for the purpose of operating the Port Chalmers Water Treatment Plant	22-Jan-45	DUN001	No	LOW RISK NON-COMPLIANCE	N/A	Exceedances of the flow rate limit.	The DCC is working on improvements to the Port Chalmers water supply system and intends to cease operation of the Port Chalmers WTP before 30 June 2028.
RM13.052.01	Discharge Permit	To discharge contaminants to water for the purpose of operating a water treatment plant	10-May-28	DUN001	No	LOW RISK NON-COMPLIANCE	N/A	Exceedances of the daily discharge volume limit.	The DCC is working on improvements to the Port Chalmers water supply system and intends to cease operation of the Port Chalmers WTP before 30 June 2028.
2004.754	Discharge Permit	To discharge water and contaminants to land in circumstances where it may enter water for the purpose of discharging water from pressure break towers	1-Oct-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2004.755	Discharge Permit	To discharge water and contaminants to land in circumstances where it may enter water for the purpose of discharging water from pressure break towers	1-Oct-39	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A
2000.016	Discharge Permit	To discharge untreated water to Frasers Creek for the purpose of emptying of a water supply reservoir	1-Sep-37	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A
2010.220.	Discharge Permit	To discharge back wash water into Frasers Stream for the purpose of disposal of backwash water and dissolved air flotation unit wastewater from the Mount Grand Water Treatment Plant	1-Sep-45	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2000.032.V1	Discharge Permit	To discharge untreated water to MacLeads Creek for the purpose of the normal operational overflow of a water supply reservoir	1-Sep-37	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A
RM16.315.01	Discharge Permit	To discharge water onto land in a manner that will enter an unnamed tributary of the Kaikorai Stream for the purpose of removal of Bryozoan from the Southern Water Treatment Plant pipelines	6-Mar-53	DUN001	No	FULL COMPLIANCE	N/A	N/A	N/A

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2002.677	Discharge Permit	To discharge up to 320,000 litres per day of backwash water from the West Taieri Water Treatment Plant	1-Jun-23	WES002	Yes	MODERATE NON-COMPLIANCE	N/A	Exceedances of the consented limit for the concentration of suspended solids in the receiving environment downstream of the discharge.	The DCC is currently applying for a new consent for this discharge (application RM23.007.01). The DCC is seeking to exclude the requirement to monitor suspended solids in the receiving environment from the conditions of the new consent and anticipates the Consent Authority will support this approach. This is because the receiving environment does not provide suitable conditions for monitoring suspended solids and the non-compliant results are unlikely to indicate adverse environmental effects.

Consent number	Consent type	Activity	Consent expiry date	Public register code	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM24.083.01	Discharge Permit	To discharge contaminants to land from the Waikouaiti Water Treatment Plant for the purpose of operating the Waikouaiti Water Treatment Plant	1-Nov-41	WAI015	No	N/A - consent issued in March 2025, not yet audited	N/A	N/A	N/A

Wastewater

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2002.623	Coastal Discharge Permit	To discharge up to 600 litres per second average dry weather flow and up to 4000 litres per second wet weather flow of treated wastewater to the Pacific Ocean from an outfall located approximately 1100 metres off shore.	30-Jun-32	Tahuna WWTP	No	LOW RISK NON-COMPLIANCE	EN.RMA.22.0042 - cancelled by ORC 20 Dec 2023	One fortnightly composite sample missed due to scheduling error; annual subtidal sediments and benthic survey completed and reported late; exceedances of the discharge quality limits for cyanide, copper and oil and grease. The cyanide and copper non-compliances have been resolved.	Investigative monitoring actions (oil and grease) are in progress to inform identification of further improvement actions.

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2002.624	Coastal Discharge Permit	To discharge up to 600 litres per second average dry weather flow and up to 4000 litres per second wet weather flow of treated wastewater to the Pacific Ocean from twin outfalls at Lawyers Head.	30-Jun-32	Tahuna WWTP	No	FULL COMPLIANCE	N/A	N/A	N/A
2002.626	Discharge to air	To discharge contaminants to air, namely odour, associated with the discharge of treated wastewater to the Pacific Ocean for the purpose of discharge of odour to air from the surge vent and sewage discharge portals on Lawyers Head.	20-Jun-32	Tahuna WWTP	No	FULL COMPLIANCE	N/A	N/A	N/A

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM12.139.01.V1	Discharge to air	To discharge contaminants to air for the purpose of operating the Tahuna Wastewater Treatment Plant	3-Jul-48	Tahuna WWTP	No	SIGNIFICANT NON-COMPLIANCE	EN.RMA24.0003 - in force, compliance date is 2 Mar 2026	Exceedances of the discharge quality limit for Oxides of Nitrogen. An abatement notice, issued by the ORC in 2024, is currently in place.	The DCC is working with the Consent Authority to resolve the non-compliance via a variation to the conditions of the consent based on a technical review of treatment process and discharge characteristics and resulting environmental effects. The compliance date in the abatement notice is 2 March 2026.

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2006.825	Discharge to air	To discharge contaminants (including odour and products of combustion from two 550 kilowatt diesel-fired generators) to air for the purpose of operating the Musselburgh Pumping Station	1-Apr-32	Musselburgh Wastewater Pumping Station	No	LOW RISK NON-COMPLIANCE	N/A	One weekly sampling event missed due to construction work.	Internal procedure improvements to ensure construction management plans include provision for regular compliance sampling events to continue.
97530	Coastal Discharge Permit	To discharge up to 1200 litres per second of treated effluent to the Pacific Ocean for the purpose of discharge of treated wastewater from the Green Island Wastewater Treatment Plant via an 850 metre long outfall pipeline, with diffuser	30-Jun-32	Green Island WWTP	No	LOW RISK NON-COMPLIANCE	N/A	Exceedances of the discharge quality limits for faecal coliforms and settleable solids.	Both non-compliances have since been resolved. No further improvement actions identified.

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
97528	Discharge to air	To discharge contaminants to air for the purpose of operating a wastewater treatment plant at Green Island	30-Jun-32	Green Island WWTP	No	FULL COMPLIANCE	N/A	N/A	N/A
97551	Coastal Discharge Permit	Restricted coastal activity to discharge up to 1200 litres per second to the Pacific Ocean at Waldronville via an outfall diffuser structure or onto the beach by emergency outfall for the purpose of discharging treated or partially treated effluent from the Green Island Wastewater Treatment Plant during periods of planned maintenance of either the outfall structure or the treatment plant.	30-Jun-32	Green Island WWTP	No	N/A - not audited (consent not exercised during audit period)	N/A	N/A	N/A

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2006.861.V2	Discharge to Land Permit	To discharge treated domestic wastewater to land for the purpose of disposal of wastewater from the Warrington Wastewater Treatment and Disposal System.	1-Feb-24	Warrington WWTP	Yes	LOW RISK NON-COMPLIANCE	EN.RMA.22.0040 - cancelled by ORC 21 Nov 2024	Exceedances of discharge quantity limits in October 2024, attributed to the effects of a wet weather event. Late reporting of monthly discharge and groundwater quality monitoring results in October 2023 and March 2024. Exceedances of the discharge quality limit for Total Nitrogen during the audit period (these were also resolved during the audit period).	Internal reporting procedure improvements have been made and no further issues with late reporting are anticipated. No further improvement actions identified.

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
2007.014	Discharge to air	To discharge contaminants to air associated with the ongoing operation of the Warrington wastewater treatment and disposal system.	1-Nov-23	Warrington WWTP	Yes	FULL COMPLIANCE	N/A	N/A	N/A
RM12.190.01	Discharge to air	To discharge to air odour, aerosols and spray drift associated with the sewage treatment plant and land application systems	12-Sep-27	Waikouaiti WWTP	No	FULL COMPLIANCE	N/A	N/A	N/A

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM12.190.02	Discharge to Land Permit	To discharge treated municipal wastewater to land	12-Sep-27	Waikouaiti WWTP	No	MODERATE NON-COMPLIANCE	EN.RMA.22.0041 - cancelled by ORC 21 Nov 2024	Exceedances of discharge quantity limits in August 2023 and July and October 2024. Causes identified as a faulty data transmitter (August 2023) and the effects of wet weather events (July and October 2024). Exceedances of the discharge quality limits for ammoniacal nitrogen and faecal coliforms.	The ammoniacal nitrogen non-compliance has been resolved. The faecal coliforms non-compliance will remain in place until at least mid-2026 due to the statistical calculations the limit is based on. No further improvement actions identified.

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM19.210.02	Discharge permit	To discharge secondary treated domestic wastewater from the Seacliff township to land in a manner that may enter water for the purpose of operating a wastewater treatment plant	28-Sep-41	Seacliff WWTP	No	N/A - not audited due to consent not yet being exercised at time of audit	N/A	N/A	N/A

RM21.037.01	Discharge permit	To discharge treated wastewater to land in a manner where it may enter water from Middlemarch Wastewater treatment plant	11-Jan-29	Middlemarch WWTP	No	LOW RISK NON-COMPLIANCE	N/A	Exceedances of discharge quantity limits in April and October 2024. Causes identified as the effects of pump blockage (April 2024) and the effects of wet weather events (October 2024). Delays in completing network improvement actions and failure to carry out modifications to the inlet pipework as specified in the conditions of consent. The DCC has provided evidence to demonstrate the inlet pipework modifications would not be beneficial in terms of managing environmental effects but has not yet formally applied for a consent variation to remove the consent condition and resolve the non-compliance.	A project related to the required network improvement actions is in progress. The DCC needs to apply for a consent variation to remove the consent condition requiring modifications to the inlet pipework and resolve the current non-compliance that relates to the DCC's failure to complete the modifications.
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Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM16.335.01.V1	Discharge to water permit	To discharge wastewater overflow to Kaikorai Stream for the purpose of managing the wastewater network	1-Jan-32	Wastewater network	No	MODERATE NON-COMPLIANCE	N/A	Failure to meet the monitoring requirements of the consent. This was due to the failure of data loggers that record discharge events.	A wastewater overflow monitoring system upgrade is currently in progress. This includes replacement of the failed data loggers.
RM16.335.02.V1	Coastal Permit	To discharge wastewater to the Otago Harbour at Sawyers Bay for the purpose of managing the wastewater network	1-Jan-42	Wastewater network	No	N/A - not audited due to access issues	N/A	N/A	N/A
RM16.335.04.V1	Coastal Permit	To discharge wastewater overflow to the mouth of the Water of Leith for the purpose of managing the wastewater network	1-Jan-32	Wastewater network	No	MODERATE NON-COMPLIANCE	N/A	Failure to meet the monitoring requirements of the consent. This was due to the failure of data loggers that record discharge events.	A wastewater overflow monitoring system upgrade is currently in progress. This includes replacement of the failed data loggers.

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2024 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2024 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM16.335.05.V1	Discharge to water permit	To discharge wastewater overflow to Lindsay Creek for the purpose of managing the wastewater network	1-Jan-37	Wastewater network	No	MODERATE NON-COMPLIANCE	N/A	Failure to meet the monitoring requirements of the consent. This was due to the failure of data loggers that record discharge events.	A wastewater overflow monitoring system upgrade is currently in progress. This includes replacement of the failed data loggers.

Stormwater

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2023 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2023 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM11.313.01	Coastal discharge permit	To discharge contaminants to the coastal marine area for the purpose of stormwater disposal	20-Jun-48	Stormwater - Port Chalmers catchment	No	MODERATE NON-COMPLIANCE	N/A	RM11.313.01 – RM11.313.10: Failures to investigate exceedances of trigger levels for microbiological and chemical contaminants in stormwater, harbour water and harbour sediments in accordance with the requirements of the consent conditions.	RM11.313.01 – RM11.313.10: The DCC has identified the need for additional resources to develop and implement a programme to investigate the trigger level exceedances.
RM11.313.02	Coastal discharge permit	To discharge contaminants to the coastal marine area for the purpose of stormwater disposal	20-Jun-48	Stormwater - Ravensbourne catchment	No	MODERATE NON-COMPLIANCE			
RM11.313.03	Coastal discharge permit	To discharge contaminants to the coastal marine area for the purpose of stormwater disposal	20-Jun-48	Stormwater - Halsey Street catchment	No	MODERATE NON-COMPLIANCE			

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2023 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2023 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM11.313.04	Coastal discharge permit	To discharge contaminants to the coastal marine area for the purpose of stormwater disposal	20-Jun-48	Stormwater - Shore Street catchment	No	MODERATE NON-COMPLIANCE			
RM11.313.05	Coastal discharge permit	To discharge contaminants to the coastal marine area for the purpose of stormwater disposal	20-Jun-48	Stormwater - Mason Street catchment	No	MODERATE NON-COMPLIANCE			
RM11.313.06	Coastal discharge permit	To discharge contaminants to the coastal marine area for the purpose of stormwater disposal	20-Jun-48	Stormwater - Kitchener Street catchment	No	MODERATE NON-COMPLIANCE			
RM11.313.07	Coastal discharge permit	To discharge contaminants to the coastal marine area for the purpose of stormwater disposal	20-Jun-48	Stormwater - Portsmouth Drive catchment	No	MODERATE NON-COMPLIANCE			

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2023 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2023 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM11.313.08	Coastal discharge permit	To discharge contaminants to the coastal marine area for the purpose of stormwater disposal	20-Jun-48	Stormwater - Orari Street catchment	No	MODERATE NON-COMPLIANCE			
RM11.313.09	Coastal discharge permit	To discharge contaminants to the coastal marine area for the purpose of stormwater disposal	20-Jun-48	Stormwater - South Dunedin catchment	No	MODERATE NON-COMPLIANCE			
RM11.313.10	Coastal discharge permit	To discharge contaminants to the coastal marine area for the purpose of stormwater disposal	20-Jun-48	Stormwater - St Clair catchment	No	MODERATE NON-COMPLIANCE			

Consent number	Consent type	Consented activity	Consent expiry date	DCC supply / system description	RMA sec 124	2023 ORC compliance audit grade	Enforcement action 1 Jul 2023 - 30 Jun 2024	2023 audit report non-compliance summary	Improvement action to achieve compliance by 30 June 2028
RM19.261.01	Discharge permit	To discharge stormwater to land in circumstances where it may enter Tomahawk Lagoon for the purpose of disposing of stormwater from a residential drainage scheme	1-May-27	Stormwater - Tomahawk Lagoon	No	FULL COMPLIANCE	N/A	N/A	N/A

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