

3 WATERS - DRAFT OPERATING BUDGET 9 YEAR PLAN 2025-34

Department: 3 Waters

EXECUTIVE SUMMARY

- 1 This report provides:
 - a summary of the services provided by 3 Waters – Water Supply, Wastewater and Stormwater.
 - an overview of the draft operating (opex) budget for year one of the 9 year plan for 3 Waters
 - an overview of the variations from the year one budget for years two to nine for 3 Waters.
- 2 This report includes four attachments:
 - i) Operating budget for 2025/26 (year one) – this details the movements from the 2024/25 year
 - ii) Operating budget for 2025/26 to 2033/34 (nine years) – this details the projected operating budget throughout the nine-year period
 - iii) Funding Impact Statement for 2025/26 to 2033/34 (nine years) – this summarises the source and application of funding throughout the nine-year period
 - iv) Schedule of Fees and Charges.
- 3 The report asks the Council to adopt the draft operating budget and draft fees and charges for the purposes of developing the 9 year plan 2025-34 and consulting with the community.

RECOMMENDATIONS

That the Council:

- a) **Adopts** for the purposes of developing the 9 year plan 2025-34 and consulting with the community:
 - i) The draft operating budgets and funding impact statement for 3 Waters as shown/amended at Attachments A, B and C.
 - ii) The draft 2025/26 fees and charges schedules for 3 Waters as shown/amended at Attachment D.

BACKGROUND

3 Waters – summary of services

4 3 Waters comprises the following activities:

Water supply

5 The water supply service ensures that customers who are connected to the network have adequate quantities of safe water. This team collects, treats, and distributes water to customers in Dunedin, to maintain the health of the community and to support the local economy. The team complies with legislation such as the Water Services Act 2021, Health and Safety at Work Act 2015, Local Government Act 2002, Resource Management Act 1991, and Fire and Emergency New Zealand Act 2017. It also carries out education and promotion programmes, proactively detects leaks, and manages network extensions to non-reticulated areas.

Wastewater (sewerage and sewage)

6 The wastewater service involves collecting, treating, and disposing of wastewater from residential and commercial customers across Dunedin to protect the health of the community and the environment. This team complies with relevant legislation. It carries out education and promotions programmes, manages network extensions to non-reticulated areas, and supplies wastewater samples to ESR for Covid-19 and narcotics testing.

Stormwater

7 The stormwater service collects rainwater from the roofs of houses and buildings, footpaths and roads, and diverts it to the ground, into waterways or the ocean to prevent flooding of properties and businesses. This team complies with relevant legislation. It manages network extensions to non-reticulated areas, and upgrades and transfers private stormwater assets into the public network.

OPERATING BUDGETS – 2025/26

8 The 2025/26 draft operating budget for 3 Waters is \$129.008 million. This is an increase of \$2.965 million from the 2024/25 year. The following sections explain the revenue and expenditure changes from the previous year.

Revenue

Rates

9 Rates revenue is \$97.896 million. This is an increase of \$12.767 million (or 15%) from the 2024/25 year.

External revenue

10 Total external revenue is \$8.748 million. This is an increase of \$1.120 million from the 2024/25 year, 15%. Water sales increase 15%, \$849k, continuing a staged uplift in fees to contribute to the cost of treated water.

- 11 Trade and tankered waste increase \$230k, based on forecasted actuals plus 5% CPI. General revenue, recoveries, connection fees and backflow charges increase by \$79k, 5% in line with fees and charges uplift.

Grants and subsidies – operating

- 12 Total revenue from grants and subsidies (operating) is \$38k. This is a decrease of \$2k from the 2024/25 year due to declining revenue from stock effluent discharge revenue.

Grants and subsidies – capital

- 13 Total revenue from grants and subsidies (capital) is \$328k. This is an increase of \$88k from the 2024/25 year due to Better off Funding (BOF) programme changes.

Internal revenue

- 14 Total internal revenue is \$1.988 million. This is an increase of \$1.353 million from 2024/25 due to BOF. The BOF programmes for 2025/26 include:
- a) Future Development and Planning - \$1.680 million for building infrastructure resiliency via hydraulic modelling, carbon, and infrastructure assessments to enhance and facilitate growth.
 - b) Local Water Done Well - \$123k to explore new organisational structures and to investigate financial and commercial considerations for delivery of water services.
 - c) Infrastructure projects - \$186k for system improvements, network resilience, growth, health and safety projects.

Expenditure

Personnel costs

- 15 Personnel costs are \$11.308 million. This is a decrease of \$567k, -5% from the 2024/25 year. Explanation of changes to personnel costs are discussed in detail in the Chief Executive Overview Report that is on the agenda.

Operations and maintenance

- 16 Operations and maintenance expenditure is \$18.268 million. This is an increase of \$1.832 million from the 2024/25 year. Reasons include:
- a) Network maintenance costs increase \$632k to incorporate maintenance contract cost changes.
 - b) Establishment of infiltration and inflow reduction improvements across wastewater and stormwater networks increases costs by \$500k.
 - c) Plant maintenance costs increase \$350k to account for increases in contract costs to maintain current levels of service.
 - d) Increased maintenance budgets of \$500k to reduce risk of equipment failure and non-compliance with regulations such as drinking water standards, wastewater discharges, health and Safety impacts, odour, and noise complaints.

- e) An increase of \$196k for alignment of network water compliance testing, including cyanobacteria monitoring, to meet required levels and cost escalation.
- f) Grounds maintenance increases by \$197k enabling cyclical safety related maintenance and contract alignment with current practice.
- g) Increases relating to the annual valuation process includes an increase of \$60k.
- h) Reduced use and price of Co2 and coagulant in water treatment saves \$246k.
- i) Re-categorising some CCTV inspection costs to capital projects and to Consumables and General costs reduces this budget by \$334k.

Occupancy costs

- 17 Occupancy costs are \$15.244 million. This is an increase of \$626k from the 2024/25 year. Reasons include:
- a) Electricity prices across treatment plants and pumping stations are anticipated to rise by \$516k due to price pressures and some new processes at the wastewater plants.
 - b) Fuel costs decrease by \$161k due to less incinerator usage at Tahuna WWTP.
 - c) Insurance increases by \$305k, 10.6%.
 - d) Rates costs decrease by \$37k.

Consumables and general

- 18 Consumables and general costs are \$3.565 million. This is an increase of \$1.808 million from the 2024/25 year and reflect the following changes:
- a) Consultancy costs for BOF projects increase by \$937k.
 - b) Government levies of \$701k are introduced by Taumata Arowai (Water Services Authority \$533k) and Commerce Commission Levies (MBIE \$168k).
 - c) Implementing the integrated systems planning core pathway programme increases engineering consultants by \$221k.
 - d) Software licence fees reduce by \$45k.

Internal charges

- 19 Internal charge costs are \$5.337 million. This is an increase of \$383k from the 2024/25 year due to:
- a) Fleet and carpark charges increase by \$226k due to increased fleet costs and a new Hiab canter crane truck for the network operations and maintenance department .
 - b) Internal sludge and landfill costs increase by \$84k due largely to price rises and return to normal usage of the Tahuna WWTP incinerator. This includes offset budget savings at the Green Island wastewater treatment plant.

- c) Administration, property, and BIS charges increase by \$75k, 2.9%.

Depreciation

- 20 Depreciation costs are \$62.354 million. This is a decrease of \$1.168 million from the 2024/25 year. This decrease was the result of the 3 Waters asset valuation process.
- 21 A separate 3 Waters valuation of reticulation assets was undertaken for the 9 year plan, to ensure the robustness of asset values to calculate depreciation.

Interest

- 22 Interest costs are \$12.932 million. This is an increase of \$51k from the 2024/25 year. The increase is due the level of capital expenditure and debt requirement. However, this has been partially offset by the reduction in the projected interest rate.

BUDGET TRADEOFFS

- 23 Several potential trade-off opportunities were identified, along with several potential operational improvements that are already underway and are expected to realise cost savings. If operational cost savings continue to be sustainable then these will be used to fund items which had been identified as potential trade-offs.
- a) Operational improvements which may provide cost savings include:
- i. Optimisation of the Mt Grand Water Treatment Plant to increase summer production rates.
 - ii. Optimisation of the Tahuna sludge furnace to increase sludge destruction rates reducing diesel use and residual sludge disposal costs.
- b) Items which rely on other budget savings being realised for funding include:
- i. Operational improvements to SCADA and Asset Management systems beyond those currently included in SCADA maintenance budgets or the capital programme. The need for this and magnitude of operational cost is yet to be fully determined and is subject to future project decisions – estimated as approximately \$700k.
 - ii. Smart meters – operational cost allowance associated with additional smart metering – approximately \$300k.

FEES AND CHARGES – 2025/26

- 24 Fees and charges for 3 Waters have generally increased by 5% to reflect inflationary cost increases across the 3 Waters network. There are some exceptions:
- a) City-wide unit rates for trade waste have increased by between 7% - 9%, \$0.01 - \$0.03 to reflect increased costs.
- b) Water supply backflow prevention programme fees have increased by 8% or \$10.56 for the backflow preventer test fee and by 10% or \$8.27 for rescheduled tests, to reflect increased costs.

- c) Central water scheme tariffs have increased by 15% or \$0.02 for the supply of bulk raw water per cubic meter, and \$0.33 for the supply of treated water per cubic meter to reflect increased costs of distributing and treating water.

OPERATING BUDGETS – YEARS 2-9

- 25 The 2025/26 operating budget has been inflation adjusted for years two to nine.
- 26 A provision has been made for additional staff and audit costs in relation to the new regulations from Local Water Done Well. Under the current and proposed arrangements for the new water services system, there will be further regulatory requirements for 3 Waters. These include separate statutory financial reporting, external audit, billing and associated administration. An uninflated amount of \$395k for year 2 (2026/27) has been included then increased to \$890k per year from year 3 (2027/28) onwards.
- 27 The 3 Waters operating budget is projected to be fully funded by year 3 (2027/28). To fully fund operating expenditure and achieve a balanced budget (excluding development contribution revenue and vested assets), a consecutive rate increase for 3 Waters of 15% in both the 2026/27 and 2027/28 years has been included.
- 28 New capital and growth expenditure for 3 Waters totals \$491.004 million over the 9 year period. A 2% allowance of this capital cost has been factored in for additional maintenance. This cost grows throughout the 9 year period and equates to a total cumulative cost of \$8.987 million, being \$0.475 million in 2026/27 (year 2) and increasing to \$1.166 million in 2033/34 (year 9).
- 29 The BOF programme will be completed in 2026/27 (year 2). Associated expenditure and revenue has been adjusted in accordance with the current allocation, ending at 30 June 2027.

ZERO CARBON

- 30 The 3 Waters activities account for a significant proportion of the DCC's emissions footprint and contributes to city emissions. The 3 Waters group is leading several Zero Carbon Plan/DCC Emissions Management and Reduction Plan projects, including reducing stationary diesel use at wastewater treatment plants, exploring options for a long-term biosolids solution, and wastewater treatment emissions reduction projects.
- 31 The draft operating and capital budgets include provision for projects that will improve energy efficiency and emissions reduction at certain facilities. This, along with alignment with the Zero Carbon Policy, will reduce emissions from operations over the term of the 9 year plan, however these gains may be offset by network growth.

Signatories

Author:	John McAndrew - Acting Group Manager, 3 Waters
Authoriser:	David Ward - General Manager, 3 Waters and Transition

Attachments

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities and promotes the social, economic, environmental and cultural well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Environment Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
3 Waters Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Future Development Strategy	✓	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	✓
Other strategic projects/policies/plans	✓	<input type="checkbox"/>	<input type="checkbox"/>

3 Waters activities contribute primarily to the objectives and priorities of the above strategies.

Māori Impact Statement

Council budgets impact broadly across all Dunedin communities including Māori. The adoption of Te Taki Haruru – Māori Strategic Framework signals Council's commitment to mana whenua and to its obligations under the Treaty of Waitangi. Mana whenua and Mataawaka will have the opportunity to engage in the 9 year plan consultation process..

Sustainability

3 Waters activities take into account the Council's approach to sustainability. Major issues and implications for sustainability are discussed in the Infrastructure Strategy and financial resilience is discussed in the Financial Strategy.

Zero carbon

The draft operating budget has implications for DCC and city emissions, as described in the body of the paper.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report provides draft budgets for 3 Waters to include in the 9 year plan.

Financial considerations

Financial considerations are detailed in this report.

Significance

The draft budgets are included in the development of the 9 year plan 2025-34 which is consulted on using the special consultative procedure.

Engagement – external

There has been no external engagement in developing the draft budgets for 3 Waters.

SUMMARY OF CONSIDERATIONS***Engagement - internal***

Councillors and staff from across council have been involved in development of the draft budgets.

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Projects identified in Community Board plans have been considered in the development of the draft budgets. Community Boards will be consulted on the 9 year plan 2025-34.

3 Waters

Income Statement for the Year Ended 30 June 2026

Actual		Approved Budget 2025 \$000	Draft Budget 2026 \$000	Budget Inc (Dec) \$000	Budget Inc (Dec) %
2024 \$000					
Revenue					
74,026	Rates revenue	85,129	97,896	12,767	15%
7,577	External revenue	7,628	8,748	1,120	15%
201	Grants and subsidies revenue	280	366	86	31%
3,007	Development contributions revenue	2,559	2,559	-	0%
1,878	Vested assets	1,423	1,423	-	0%
1,044	Internal revenue	635	1,988	1,353	213%
87,733	Total revenue	97,654	112,980	15,326	16%
Expenditure					
11,627	Personnel costs	11,875	11,308	(567)	-5%
16,862	Operations and maintenance	16,436	18,268	1,832	11%
13,484	Occupancy costs	14,618	15,244	626	4%
1,936	Consumables and general	1,757	3,565	1,808	103%
-	- Grants and subsidies	-	-	-	-
4,703	Internal charges	4,954	5,337	383	8%
60,355	Depreciation and amortisation	63,522	62,354	(1,168)	-2%
9,583	Interest	12,881	12,932	51	0%
118,550	Total expenditure	126,043	129,008	2,965	2%
(30,817)	Net surplus/(deficit)	(28,389)	(16,028)	12,361	-44%
Expenditure by Activity					
52,669	Sewerage and Sewage	47,853	55,646	7,793	16%
13,774	Stormwater	16,614	19,491	2,877	17%
52,107	Water Supply	61,576	53,871	(7,705)	-13%
118,550	Total expenditure	126,043	129,008	2,965	2%

3 Waters
**Income Statement
for the Years Ended 30 June 2025 - 2034**

Actual	Approved Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue										
74,026 Rates revenue	85,129	97,896	112,761	129,383	136,457	148,644	158,467	167,854	176,795	185,994
7,577 External revenue	7,628	8,748	9,115	9,480	9,840	10,175	10,480	10,774	11,021	11,275
201 Grants and subsidies revenue	280	366	212	41	42	43	44	45	46	47
3,007 Development contributions revenue	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559
1,878 Vested assets	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423	1,423
1,044 Internal revenue	635	1,988	1,400	-	-	-	-	-	-	-
87,733 Total revenue	97,654	112,980	127,470	142,886	150,321	162,844	172,973	182,655	191,844	201,298
Expenditure										
11,627 Personnel costs	11,875	11,308	11,746	12,378	12,686	12,988	13,284	13,576	13,861	14,151
16,862 Operations and maintenance	16,436	18,268	19,509	20,999	22,656	24,768	26,914	28,955	30,834	32,529
13,484 Occupancy costs	14,618	15,244	15,971	16,654	17,465	18,282	19,104	19,900	20,682	21,363
1,936 Consumables and general	1,757	3,565	3,366	2,237	2,323	2,401	2,474	2,542	2,601	2,661
- Grants and subsidies	-	-	-	-	-	-	-	-	-	-
4,703 Internal charges	4,954	5,337	5,497	5,646	5,788	5,927	6,062	6,196	6,326	6,459
60,355 Depreciation and amortisation	63,522	62,354	63,000	66,264	69,751	73,677	78,142	82,473	86,571	90,395
9,583 Interest	12,881	12,932	13,851	14,726	15,670	20,819	23,011	25,031	26,987	29,758
118,550 Total expenditure	126,043	129,008	132,940	138,904	146,339	158,862	168,991	178,673	187,862	197,316
(30,817) Net surplus/(deficit)	(28,389)	(16,028)	(5,470)	3,982	3,982	3,982	3,982	3,982	3,982	3,982
Expenditure by Activity										
52,669 Wastewater	47,853	55,646	57,156	59,583	63,416	71,373	78,164	84,318	89,899	94,772
13,774 Stormwater	16,614	19,491	19,907	20,395	21,036	22,253	23,258	24,232	24,948	25,872
52,107 Water Supply	61,576	53,871	55,877	58,926	61,887	65,236	67,569	70,123	73,015	76,672
118,550 Total expenditure	126,043	129,008	132,940	138,904	146,339	158,862	168,991	178,673	187,862	197,316

Wastewater
**Income Statement
for the Years Ended 30 June 2025 - 2034**

Actual 2024 \$000	Approved Budget 2025 \$000	Draft Budget 2026 \$000	Draft Budget 2027 \$000	Draft Budget 2028 \$000	Draft Budget 2029 \$000	Draft Budget 2030 \$000	Draft Budget 2031 \$000	Draft Budget 2032 \$000	Draft Budget 2033 \$000	Draft Budget 2034 \$000
Revenue										
35,997 Rates revenue	41,392	47,598	52,170	58,327	62,113	70,026	76,777	82,892	88,440	93,280
868 External revenue	896	1,121	1,168	1,215	1,261	1,304	1,343	1,381	1,413	1,445
94 Grants and subsidies revenue	124	172	110	41	42	43	44	45	46	47
1,724 Development contributions revenue	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090
558 Vested assets	357	357	357	357	357	357	357	357	357	357
- Internal revenue	221	811	571	-	-	-	-	-	-	-
39,241 Total revenue	44,080	51,149	55,466	61,030	64,863	72,820	79,611	85,765	91,346	96,219
Expenditure										
4,816 Personnel costs	4,945	5,198	5,390	5,661	5,802	5,940	6,075	6,209	6,339	6,472
7,784 Operations and maintenance	6,690	7,612	8,048	8,610	9,311	10,614	11,932	13,109	14,224	15,079
6,091 Occupancy costs	6,340	7,233	7,572	7,893	8,266	8,638	9,008	9,367	9,715	10,022
694 Consumables and general	626	1,474	1,394	933	969	1,002	1,032	1,060	1,085	1,110
- Grants and subsidies	-	-	-	-	-	-	-	-	-	-
2,183 Internal charges	2,603	2,963	3,052	3,134	3,213	3,290	3,365	3,440	3,512	3,586
24,046 Depreciation and amortisation	22,156	24,536	24,723	25,973	27,400	29,446	32,029	34,427	36,779	38,710
7,055 Interest	4,493	6,630	6,977	7,379	8,455	12,443	14,723	16,706	18,245	19,793
52,669 Total expenditure	47,853	55,646	57,156	59,583	63,416	71,373	78,164	84,318	89,899	94,772
(13,428) Net surplus/(deficit)	(3,773)	(4,497)	(1,690)	1,447	1,447	1,447	1,447	1,447	1,447	1,447
Expenditure by Activity										
52,669 Wastewater	47,853	55,646	57,156	59,583	63,416	71,373	78,164	84,318	89,899	94,772
52,669 Total expenditure	47,853	55,646	57,156	59,583	63,416	71,373	78,164	84,318	89,899	94,772

Stormwater
**Income Statement
for the Years Ended 30 June 2025 - 2034**

Actual	Approved Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue										
10,167 Rates revenue	11,692	13,446	16,589	20,263	20,899	22,111	23,112	24,082	24,795	25,715
87 External revenue	101	122	127	132	137	142	146	150	153	157
25 Grants and subsidies revenue	37	63	33	-	-	-	-	-	-	-
405 Development contributions revenue	650	650	650	650	650	650	650	650	650	650
718 Vested assets	516	516	516	516	516	516	516	516	516	516
- Internal revenue	98	382	269	-	-	-	-	-	-	-
11,402 Total revenue	13,094	15,179	18,184	21,561	22,202	23,419	24,424	25,398	26,114	27,038
Expenditure										
1,240 Personnel costs	1,278	1,533	1,687	1,883	1,930	1,976	2,021	2,066	2,109	2,153
1,416 Operations and maintenance	1,240	1,479	1,581	1,666	1,789	1,991	2,202	2,436	2,602	2,742
1,546 Occupancy costs	1,666	2,122	2,228	2,325	2,448	2,574	2,704	2,830	2,957	3,065
277 Consumables and general	245	647	607	412	428	442	456	468	479	490
- Grants and subsidies	-	-	-	-	-	-	-	-	-	-
533 Internal charges	434	566	583	599	614	629	643	657	671	685
8,642 Depreciation and amortisation	9,770	11,305	11,378	11,812	12,293	12,881	13,471	14,095	14,583	15,025
120 Interest	1,981	1,839	1,843	1,698	1,534	1,760	1,761	1,680	1,547	1,712
13,774 Total expenditure	16,614	19,491	19,907	20,395	21,036	22,253	23,258	24,232	24,948	25,872
(2,372) Net surplus/(deficit)	(3,520)	(4,312)	(1,723)	1,166	1,166	1,166	1,166	1,166	1,166	1,166
Expenditure by Activity										
13,774 Stormwater	16,614	19,491	19,907	20,395	21,036	22,253	23,258	24,232	24,948	25,872
13,774 Total expenditure	16,614	19,491	19,907	20,395	21,036	22,253	23,258	24,232	24,948	25,872

Water Supply

Income Statement for the Years Ended 30 June 2025 - 2034

Actual	Approved Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget
2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Revenue										
27,862 Rates revenue	32,045	36,852	44,002	50,793	53,445	56,507	58,578	60,880	63,560	66,999
6,622 External revenue	6,631	7,505	7,820	8,133	8,442	8,729	8,991	9,243	9,455	9,673
82 Grants and subsidies revenue	119	131	69	-	-	-	-	-	-	-
878 Development contributions revenue	819	819	819	819	819	819	819	819	819	819
602 Vested assets	550	550	550	550	550	550	550	550	550	550
1,044 Internal revenue	316	795	560	-	-	-	-	-	-	-
37,090 Total revenue	40,480	46,652	53,820	60,295	63,256	66,605	68,938	71,492	74,384	78,041
Expenditure										
5,571 Personnel costs	5,652	4,577	4,669	4,834	4,954	5,072	5,188	5,301	5,413	5,526
7,662 Operations and maintenance	8,506	9,177	9,880	10,723	11,556	12,163	12,780	13,410	14,008	14,708
5,847 Occupancy costs	6,612	5,889	6,171	6,436	6,751	7,070	7,392	7,703	8,010	8,276
965 Consumables and general	886	1,444	1,365	892	926	957	986	1,014	1,037	1,061
- Grants and subsidies	-	-	-	-	-	-	-	-	-	-
1,987 Internal charges	1,917	1,808	1,862	1,913	1,961	2,008	2,054	2,099	2,143	2,188
27,667 Depreciation and amortisation	31,596	26,513	26,899	28,479	30,058	31,350	32,642	33,951	35,209	36,660
2,408 Interest	6,407	4,463	5,031	5,649	5,681	6,616	6,527	6,645	7,195	8,253
52,107 Total expenditure	61,576	53,871	55,877	58,926	61,887	65,236	67,569	70,123	73,015	76,672
(15,017) Net surplus/(deficit)	(21,096)	(7,219)	(2,057)	1,369	1,369	1,369	1,369	1,369	1,369	1,369
Expenditure by Activity										
52,107 Water	61,576	53,871	55,877	58,926	61,887	65,236	67,569	70,123	73,015	76,672
52,107 Total expenditure	61,576	53,871	55,877	58,926	61,887	65,236	67,569	70,123	73,015	76,672

Dunedin City Council
Funding Impact Statement
for the Years Ended 30 June 2025 - 2034 for 3 Waters

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Actual	Annual Plan	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding										
- General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
27,862 Targeted rates	85,129	97,896	112,761	129,383	136,457	148,644	158,467	167,854	176,795	185,994
113 Subsidies and grants for operating purposes	41	38	39	41	42	43	44	45	46	47
6,692 Fees and charges	7,629	8,748	9,115	9,480	9,840	10,175	10,480	10,774	11,021	11,275
348 Internal charges and overheads recovered	635	1,988	1,400	-	-	-	-	-	-	-
- Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
35,015 Total operating funding	93,434	108,670	123,315	138,904	146,339	158,862	168,991	178,673	187,862	197,316
Application of operating funding										
17,979 Payments to staff and suppliers	44,685	48,383	50,592	52,270	55,130	58,439	61,775	64,973	67,978	70,704
3,302 Finance costs	12,881	12,932	13,851	14,726	15,670	20,819	23,011	25,031	26,987	29,758
1,448 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	-	-	-	-	-	-	-	-	-	-
22,729 Total application of operating funding	62,519	66,652	69,940	72,642	76,588	85,185	90,848	96,200	101,291	106,921
12,286 Surplus/(deficit) of operating funding	30,915	42,018	53,375	66,262	69,751	73,677	78,143	82,473	86,571	90,395
Sources of capital funding										
- Subsidies and grants for capital expenditure	240	328	173	-	-	-	-	-	-	-
2,102 Development and financial contributions	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559	2,559
16,718 Increase/(decrease) in debt	46,409	36,857	28,455	14,000	31,792	40,338	47,293	33,556	44,650	66,206
- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
18,820 Total sources of capital funding	49,208	39,744	31,187	16,559	34,351	42,897	49,852	36,115	47,209	68,765
Application of capital funding										
Capital expenditure										
2,279 - to meet additional demand	8,245	2,453	1,421	7,177	4,610	6,895	6,129	6,129	7,858	8,901
13,212 - to improve the level of service	37,104	20,547	31,524	35,079	66,036	68,494	65,347	61,946	50,429	32,777
15,615 - to replace existing assets	34,774	58,762	49,418	40,156	33,025	40,631	55,932	49,898	74,856	116,836
- Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
- Increase/(decrease) of investments	-	-	2,199	409	431	554	587	615	637	646
31,106 Total application of capital funding	80,123	81,762	84,562	82,821	104,102	116,574	127,995	118,588	133,780	159,160
(12,286) Surplus/(deficit) of capital funding	(30,915)	(42,018)	(53,375)	(66,262)	(69,751)	(73,677)	(78,143)	(82,473)	(86,571)	(90,395)
- Funding balance	-	-	-	-	-	-	-	-	-	-

Dunedin City Council
Funding Impact Statement
for the Years Ended 30 June 2025 - 2034 for Wastewater

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Actual	Annual Plan	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding										
- General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
35,996 Targeted rates	41,392	47,598	52,170	58,327	62,113	70,026	76,777	82,892	88,440	93,280
85 Subsidies and grants for operating purposes	41	38	39	41	42	43	44	45	46	47
837 Fees and charges	896	1,121	1,168	1,215	1,261	1,304	1,343	1,381	1,413	1,445
348 Internal charges and overheads recovered	221	811	571	-	-	-	-	-	-	-
- Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
37,266 Total operating funding	42,550	49,568	53,948	59,583	63,416	71,373	78,164	84,318	89,899	94,772
Application of operating funding										
19,704 Payments to staff and suppliers	18,528	21,516	22,405	23,098	24,347	26,193	28,047	29,745	31,363	32,683
3,489 Finance costs	4,493	6,630	6,977	7,379	8,455	12,443	14,723	16,706	18,245	19,793
2,781 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	-	-	-	-	-	-	-	-	-	-
25,974 Total application of operating funding	25,624	31,109	32,434	33,611	36,015	41,926	46,135	49,891	53,120	56,062
11,292 Surplus/(deficit) of operating funding	16,926	18,459	21,514	25,972	27,401	29,447	32,029	34,427	36,779	38,710
Sources of capital funding										
- Subsidies and grants for capital expenditure	84	134	71	-	-	-	-	-	-	-
575 Development and financial contributions	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090	1,090
20,554 Increase/(decrease) in debt	10,323	13,227	8,548	10,958	41,274	46,025	45,153	34,201	27,324	34,606
- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
21,129 Total sources of capital funding	11,497	14,451	9,709	12,048	42,364	47,115	46,243	35,291	28,414	35,696
Application of capital funding										
Capital expenditure										
1,715 - to meet additional demand	2,240	741	814	3,732	1,956	2,925	2,600	2,600	3,334	3,776
3,942 - to improve the level of service	12,754	5,101	11,431	15,626	48,668	49,633	43,509	42,377	28,412	18,351
26,764 - to replace existing assets	13,429	27,068	18,913	18,523	18,979	23,750	31,811	24,244	32,747	51,310
- Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
- Increase/(decrease) of investments	-	-	65	139	162	254	352	497	700	969
32,421 Total application of capital funding	28,423	32,910	31,223	38,020	69,765	76,562	78,272	69,718	65,193	74,406
(11,292) Surplus/(deficit) of capital funding	(16,926)	(18,459)	(21,514)	(25,972)	(27,401)	(29,447)	(32,029)	(34,427)	(36,779)	(38,710)
- Funding balance	-	-	-	-	-	-	-	-	-	-

Dunedin City Council
Funding Impact Statement
for the Years Ended 30 June 2025 - 2034 for Stormwater

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Actual	Annual Plan	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding										
- General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
10,167 Targeted rates	11,692	13,446	16,589	20,263	20,899	22,111	23,112	24,082	24,795	25,715
2 Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
49 Fees and charges	101	122	127	132	137	142	146	150	153	157
348 Internal charges and overheads recovered	98	382	269	-	-	-	-	-	-	-
- Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
10,566 Total operating funding	11,891	13,950	16,985	20,395	21,036	22,253	23,258	24,232	24,948	25,872
Application of operating funding										
6,225 Payments to staff and suppliers	4,429	5,781	6,102	6,287	6,595	6,983	7,383	7,800	8,147	8,450
2,793 Finance costs	1,981	1,839	1,843	1,698	1,534	1,760	1,761	1,680	1,547	1,712
473 Internal charges and overheads applied	434	566	583	599	614	629	643	657	671	685
- Other operating funding applications	-	-	-	-	-	-	-	-	-	-
9,491 Total application of operating funding	6,844	8,186	8,528	8,584	8,743	9,372	9,787	10,137	10,365	10,847
1,075 Surplus/(deficit) of operating funding	5,047	5,764	8,457	11,811	12,293	12,881	13,471	14,095	14,583	15,025
Sources of capital funding										
- Subsidies and grants for capital expenditure	37	63	33	-	-	-	-	-	-	-
330 Development and financial contributions	650	650	650	650	650	650	650	650	650	650
15,099 Increase/(decrease) in debt	12,266	1,055	(2,094)	(4,945)	(3,045)	(1,004)	1,049	(4,278)	(1,065)	7,678
- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
15,429 Total sources of capital funding	12,953	1,768	(1,411)	(4,295)	(2,395)	(354)	1,699	(3,628)	(415)	8,328
Application of capital funding										
Capital expenditure										
2,233 - to meet additional demand	2,649	437	-	-	872	1,304	1,159	1,159	1,487	1,684
2,931 - to improve the level of service	7,043	1,563	1,175	3,125	6,375	6,700	8,050	5,050	3,350	2,500
11,340 - to replace existing assets	8,308	5,532	5,810	4,261	2,501	4,303	5,687	3,916	8,902	18,636
- Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
- Increase/(decrease) of investments	-	-	61	130	150	220	274	342	429	533
16,504 Total application of capital funding	18,000	7,532	7,046	7,516	9,898	12,527	15,170	10,467	14,168	23,353
(1,075) Surplus/(deficit) of capital funding	(5,047)	(5,764)	(8,457)	(11,811)	(12,293)	(12,881)	(13,471)	(14,095)	(14,583)	(15,025)
- Funding balance	-	-	-	-	-	-	-	-	-	-

Dunedin City Council
Funding Impact Statement
for the Years Ended 30 June 2025 - 2034 for Water Supply

2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Actual	Annual Plan	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget	Draft Budget
\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of operating funding										
- General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-
27,862 Targeted rates	32,045	36,852	44,002	50,793	53,445	56,507	58,578	60,880	63,560	66,999
113 Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-
6,692 Fees and charges	6,632	7,505	7,820	8,133	8,442	8,729	8,991	9,243	9,455	9,673
348 Internal charges and overheads recovered	316	795	560	-	-	-	-	-	-	-
- Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-	-	-	-	-
35,015 Total operating funding	38,993	45,152	52,382	58,926	61,887	65,236	67,569	70,123	73,015	76,672
Application of operating funding										
17,979 Payments to staff and suppliers	21,728	21,086	22,085	22,885	24,188	25,263	26,345	27,428	28,468	29,571
3,302 Finance costs	6,407	4,463	5,031	5,649	5,681	6,616	6,527	6,645	7,195	8,253
1,448 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	-	-	-	-	-	-	-	-	-	-
22,729 Total application of operating funding	30,051	27,357	28,978	30,447	31,830	33,887	34,926	36,172	37,806	40,012
12,286 Surplus/(deficit) of operating funding	8,942	17,795	23,404	28,479	30,057	31,349	32,643	33,951	35,209	36,660
Sources of capital funding										
- Subsidies and grants for capital expenditure	119	131	69	-	-	-	-	-	-	-
2,102 Development and financial contributions	819	819	819	819	819	819	819	819	819	819
16,718 Increase/(decrease) in debt	23,820	22,575	22,001	7,987	(6,437)	(4,683)	1,091	3,633	18,391	23,922
- Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-
- Lump sum contributions	-	-	-	-	-	-	-	-	-	-
- Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-
18,820 Total sources of capital funding	24,758	23,525	22,889	8,806	(5,618)	(3,864)	1,910	4,452	19,210	24,741
Application of capital funding										
Capital expenditure										
2,279 - to meet additional demand	3,356	1,275	607	3,445	1,782	2,666	2,370	2,370	3,037	3,441
13,212 - to improve the level of service	17,307	13,883	18,918	16,328	10,993	12,161	13,788	14,519	18,667	11,926
15,615 - to replace existing assets	13,037	26,162	24,695	17,372	11,545	12,578	18,434	21,738	33,207	46,890
- Increase/(decrease) in reserves	-	-	-	-	-	-	-	-	-	-
- Increase/(decrease) of investments	-	-	2,073	140	119	80	(39)	(224)	(492)	(856)
31,106 Total application of capital funding	33,700	41,320	46,293	37,285	24,439	27,485	34,553	38,403	54,419	61,401
(12,286) Surplus/(deficit) of capital funding	(8,942)	(17,795)	(23,404)	(28,479)	(30,057)	(31,349)	(32,643)	(33,951)	(35,209)	(36,660)
- Funding balance	-	-	-	-	-	-	-	-	-	-

9 year plan grouping - 3 Waters

	2024/25 fees	2025/26 proposed fees	\$ change	% change
Wastewater				
City Wide Unit Rates				
BOD5 per kg	0.21	0.23	0.02	7.1%
NFR/TSS per kg	0.39	0.42	0.03	7.2%
Volume per cubic metre	0.15	0.16	0.01	9.3%
Consent Applications, Compliance Monitoring, Re-inspection & Consent Breaches				
Annual Fee	207.73	218.27	10.54	5.1%
Consent Application Fee for minor discharge with pre-treatment (Category B)	416.63	437.77	21.14	5.1%
Consent Application Fee for significant industry and major discharges (Category A)	1,260.40	1,324.37	63.97	5.1%
Laboratory - variable cost				
Staff per hour	138.50	145.53	7.03	5.1%
Tanker Waste Charges per tonne	40.58	42.64	2.06	5.1%
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 of the Dunedin City Council areas				
	5,500.20	5,779.34	279.14	5.1%
Water Supply				
Annual supply charge (meter rental)				
100mm nominal diameter - Annual supply charge (meter rental)	758.49	796.98	38.49	5.1%
150mm nominal diameter - Annual supply charge (meter rental)	1,090.25	1,145.58	55.33	5.1%
20mm nominal diameter - Annual supply charge (meter rental)	177.90	186.93	9.03	5.1%
25mm nominal diameter - Annual supply charge (meter rental)	228.39	239.98	11.59	5.1%
300mm nominal diameter - Annual supply charge (meter rental)	1,414.80	1,486.60	71.80	5.1%
30mm nominal diameter - Annual supply charge (meter rental)	253.64	266.51	12.87	5.1%
40mm nominal diameter - Annual supply charge (meter rental)	287.28	301.86	14.58	5.1%
50mm nominal diameter - Annual supply charge (meter rental)	581.79	611.32	29.53	5.1%
80mm nominal diameter - Annual supply charge (meter rental)	718.82	755.30	36.48	5.1%
Re-connection Fee: Includes the removal of water restrictors installed due to non-compliance of the water bylaw	495.82	520.98	25.16	5.1%
Special Reading Fee	67.38	70.80	3.42	5.1%
Water Filling Station – Annual access supply charge (per key)	704.40	740.15	35.75	5.1%
Backflow Prevention Programme				
Backflow Preventer Test Fee	137.38	147.94	10.56	7.7%
Backflow programme – Incomplete Application Fees (hourly rate)	49.43	51.94	2.51	5.1%
Rescheduled Backflow Preventer Test Fee	80.03	88.30	8.27	10.3%
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	0.13	0.15	0.02	15.0%
Treated water per cubic metre - Central Water Scheme Tariff for water sold by meter	2.22	2.55	0.33	15.0%
Installation of New Services				
Charges for the installation of new services are determined on a case-by-case basis and are provided as a fixed price quote to applicants. Alternatively, customers can elect to undertake this work themselves at their own risk by engaging a Council Approved Water Supply Connection Installer. That installer will do all work apart from making the connection to the live water main, which will be undertaken by Council staff. A fee for making the connection will be charged.				

	2024/25 fees	2025/26 proposed fees	\$ change	% change
Network Contributions				
Commercial or extraordinary water connection - as quoted				
Disconnection of water supply - DCC contractor to excavate	1,081.83	1,136.73	54.90	5.1%
Disconnection of water supply- AWSCL to excavate	276.11	290.12	14.01	5.1%
New 20mm diameter domestic water connection - as quoted				
Where there has been no prior contribution to the existing network there will be a standard Network Contribution fee for all of the Dunedin City Council areas	5,340.00	5,611.01	271.01	5.1%
Rural Water Schemes				
Differing capital and connection charges. Please contact the Water Services Department for further information.				