

Preliminary advice to Wellington City Council regarding proposed three waters capital and operational expenditure budgets for the 2025/26 financial year and triennium

TO Jenny Chetwynd, Chief Infrastructure Officer, Wellington City Council;

COPIED TO Pete Wells, Head of Service Planning, Wellington Water;
Wayne Maxwell, Group Manager Business Services, Wellington Water;
Chris Matthews, Manager Waste, Water & Resilience, Wellington City Council;
Andrea Reeves, Chief Financial Officer, Wellington City Council

FROM Julie Alexander, Group Manager Network Strategy and Planning, Wellington Water

DATE 4 December 2024

Action sought

Action	
Jenny Chetwynd, Chief Infrastructure Officer, Wellington City Council	Note the contents of this memo. Meet with Wellington Water to discuss the recommendations and issues raised within the memo.

Contact for telephone discussion (if required)

Name	Position	1st Contact	
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Purpose

1. This paper informs Wellington City Council (Council) of:
 - Annual planning advice, including proposed updates to the Long Term Plan 2024-34 with a focus on the current triennium;
 - key areas where Wellington Water recommends additional investment in FY2025/26 and the triennium; and
 - the additional investment required into Wellington Water's corporate capabilities in order to better manage the region's assets and services.

Recommended actions

It is recommended that Council:

- a. **confirms** Council's proposed approach to FY2024/25 capital budget carry overs;
- b. **notes** the revised FY2024/25 Capital Expenditure (Capex) forecast that will be further updated in Stage 2 advice;
- c. **approves** budget changes for specific FY2024/25 initiatives to enable completion of required work within this financial year;
- d. **considers** the indicative proposed Capex and Operational Expenditure (Opex) budgets for FY2025/26;
- e. **notes** the indicative Capex budget requirement for FY2026/27 and across the remaining seven years of the Long Term Plan 2024-34;
- f. **considers** the specific risks presented in this memo;
- g. **notes** the requirement for investments needed to implement a range of organisational capability improvements, and for essential systems and technology improvements at Wellington Water in order to better manage the region's assets and services;
- h. **notes** that in order to support your FY2025/26 annual planning processes, Wellington Water will update our advice in mid-late February 2025 based on Council's draft funding decisions, and provide final detailed advice in May 2025; and
- i. **notes** that in line with agreed policies on transparency and information sharing, this memo will be published on Wellington Water's public website, subject to any redactions consistent with the Local Government Official Information and Meetings Act 1987, once Council has considered and made decisions regarding this advice.

Executive Summary

2. This advice proposes updates to the annual plan for FY2025/26, and to the triennium view of the approved Long Term Plan (LTP) to reflect current knowledge of programmes and any recommended changes.

3. The following key issues underpin our advice, and affect all councils. Any additional investment in these areas will support improved outcomes in delivering water services for our communities:
 - increasing investment in pipe network planned and reactive renewals to address backlogs over a 30-year period and reduce them to a long-term sustainable level;
 - regional alignment to address the critical water supply risk, with coordinated investments in storage, metering, and leak repairs; and
 - ensuring investment to meet increasing regulatory requirements, with a focus on Wastewater Treatment Plants.
4. The level of Capex funding agreed in Council's Long Term Plan (LTP) for 2025/26 was \$60.17M, and a total of \$190.61M over the triennium. Since the LTP was agreed, Wellington Water (WWL) has updated our forecast to reflect the most up to date view of costings and programmes. Based on this, we are now recommending a slight decrease for 2025/26 to \$59.55M¹ (a decrease of \$0.62M) and an increase to \$204.60² over the triennium (an increase of \$13.99M).
5. The level of Opex funding agreed in Council's LTP for 2025/26 was \$60.70M. WWL is in the process of updating its operational budgets forecast. Based on our early stage view we are recommending an increase in programme funding of \$8.53M for 2025/26, with the majority of the increase relating to Monitoring and Investigations, and Planned and Reactive maintenance activities³ for Stormwater and Wastewater.
6. The active risks identified in WWL's 2024-34 LTP close out advice, of 23 August 2024, continue to be relevant; noting that the LTP funding agreed by Council for Capex and Opex was below recommended levels.
7. In response to recommendations from the 2024 independent review into WWL's capital programme estimating and budgeting systems (the 2024 review), we have brought forward our business planning cycle to align with Council's annual planning cycle. To feed into this first stage of advice to councils, the base corporate budgets for WWL have been developed at a high level and this shows a lift in investment is needed above what was agreed in the 2024-34 LTP.
8. There are also further investments needed to provide for critical systems updates and to lift corporate capability and maturity, as recommended in the 2024 review.

Background and context to our advice

9. WWL's shareholding councils have been clear in their expectations of us to demonstrate value for money and find efficiencies and improvements to the way we deliver water services for their communities. Councils need to be confident that WWL is financially prudent and a 'smart purchaser' of services on their behalf.

¹ Before FY2025/26 corporate cost adjustments

² Before FY2025/26 corporate cost adjustments

³ This figure does not include the investment uplift needed for the organisational capability improvements required in response to the 2024 independent review, or the investment needed for essential technology systems and improvements

10. Additionally, findings in the recent independent review highlighted significant capability improvements needed to prevent errors from reoccurring and lift our organisation's maturity to better deliver on our responsibilities to our councils.
11. Significant investment is also needed to implement core technology systems and improvements that are required for any effective and efficient water utility organisation. This was also highlighted in the independent review.
12. When it comes to organisational capability, maturity, and technological systems – we are far behind on where we need to be. Wellington Water is not right sized for the work that we need to deliver for our shareholders or to deal with the challenges the region faces with water infrastructure. Our programme of work and responsibility has grown over the past ten years but the investment into the organisation to support this work has not.
13. To support this increase in work we have over the years relied heavily on our consultants and suppliers and an outsourcing model. This has raised concerns with our shareholders around value for money.
14. Additionally, we haven't communicated our organisational need or position well over many years. We are doing this differently this year and for future years.
15. We have been making rapid and immediate changes over the past few months to address councils' concerns and meet expectations. We are making fundamental changes to the way we work. We are shifting to a 'value-add' mindset in how we deliver water services. This is about:
 - building internal capability to deliver our work instead of outsourcing work, which is cheaper and more efficient;
 - retaining knowledge and control of our information;
 - maturing our approach to managing our contracts; and
 - increasing capability so we can proactively look for and implement efficiencies across the organisation.
16. Urgently increasing our corporate capability is vital to deliver councils' operational and capital programmes – not doing so will open us up to risks of errors and issues, like the recent cost estimation error, reoccurring.
17. Since WWL identified the Corporate Cost error in capital budgeting advice, we have conducted a review into corporate cost allocations to check and validate if the \$51M gap in funding was correct and identify any further impacts on councils' programmes. We have advised Council of the high-level impacts in October 2024. For WCC this amounted to a net reduction in Corporate Charges of \$4.1M over the triennium period. This has been included in the programme as an offsetting budget line.
18. Deloitte is providing on-going advice during the annual planning process to further refine the corporate cost methodology.
19. Additionally, the 2024 review of WWL's capital programme estimation and budgeting systems highlighted significant capability improvements needed to prevent errors from reoccurring and lift our organisation's maturity to better deliver on our responsibilities to our councils. As a result, further investment is needed in order for WWL to:
 - purchase and implement core technology systems;
 - lift our organisational capability; and
 - increase funding for WWL's corporate services to ensure we are able to deliver the FY2025/26 programme well and effectively.

Section One: Annual Plan

Annual Planning approach

20. This advice proposes updates to the triennium view of Council's approved LTP, to reflect current understanding of the LTP programme and any recommended changes.
21. The advice builds on the final LTP advice provided to Council on 23 August 2024, which set out the 2024-34 LTP investment programme adopted by the Council. As signalled in our final advice, WWL has continued to engage with Council on changes and updates that may be required to the adopted LTP programme to accommodate emerging needs.
22. WWL has aimed to update the Capex programme to be compliant with the existing LTP funding envelopes. Where necessary, funding has been re-prioritised to accommodate arising needs or revised scope and costings, with the programme balanced by deferring some projects until after the triennium.
23. This advice also outlines recommended changes and additions to the current approved LTP Operational Expenditure budget, and identifies areas of risk if the current level of funding is maintained across the full LTP programme.
24. WWL will continue to work with Council to refine our annual plan advice based on your feedback.

Capital Expenditure Plan

25. Since the LTP budget was approved in mid-2024, WWL has made significant progress in delivering water services and renewing Council's water assets. Some highlights include:
 - 1681 leaks (public and private) fixed in the current financial year (since 1 July 2024), as at end of October 2024.
 - Taranaki St WW Rising Main (the shared rising main to service existing Pump Stations 4, 5 and 6 and the newly constructed Taranaki St Pump Station) project, which is part of the CBD WW programme, continues to make good progress. Commissioning is expected to be completed in January 2025, which is 4 months ahead of schedule.
 - Moa Point and Western WWTP UV Renewals contract was awarded in Oct 2024, with the design for Moa Point now in progress.
 - Wrights Hill Reservoir Seismic Strengthening project, which involves structural improvements, contamination prevention upgrades and health and safety improvements, is tracking well and due to be completed by Mar 2025.
 - The planning and designs for two urgent works projects, Cockayne Rd Water Main Renewal and Bellevue Horokiwi Sewer Renewals, is underway, with a start date for physical works estimated to be Q4 of FY24/25.

Revisions to forecast capital expenditure for FY2024/25

26. The level of capital funding agreed in the LTP for FY2024/25 (including Golden Mile and Lambton Quay) was \$61.8M. The updated delivery forecast for the FY2024/25 programme, including proposed changes is \$69.9M.

27. A summary of significant changes to the FY2024/25 capital programme is shown below, and a detailed breakdown of the amended programme is included within **Appendix A**. Additional detailed information on any of the proposed changes is available on request.
28. The significant changes proposed to the FY2024/25 capital programme are:
- \$3.7M increase in Drinking Water pipe network reactive renewals to support leak repair activities
 - (\$4.0M) deferral of Aro Valley Wastewater renewal to outside of the triennium
 - \$2.8M to bring forward LTP budget from FY25/26 for Wakefield Street new Rising Main to support the timing of the wider wastewater programme of works within the CBD
 - \$2.6M - of funding for unexpected costs incurred for Cockayne Water Main renewal (\$0.9M) and Bellevue subdivision Horokiwi Sewer renewal (\$1.7M)
 - \$1.3M increase in FY 24/25 budgets to complete Taranaki Street Wastewater Rising Main. \$1M of the programme was funded in FY23/24 and not carried forward and prioritised from other programme changes in quarter 1 of FY24/25
 - \$0.9M of Drinking and Wastewater modelling omitted from the LTP budget
 - \$0.5M increase in Moa Point WWTP Odour and Ventilation Renewals & WWTP Roof Replacement
 - \$0.4M increase for Pressure Management Stage 1 close out cost and Regional Pressure Management & PRV upgrades.
29. WWL asks Council to **approve** the revised Capital Expenditure (Capex) forecast for FY2024/25, in order to proceed with completing the required work within this financial year. Our programme leads are already engaging with Council officers on approval of changes for some specific items such as drinking water network renewals and WWTP programmes.
30. Annual Planning advice has assumed that the requested changes for FY2024/25 are able to be approved. In the event that some, or all, changes are not approved, amendments will be required to the FY2025/26 programme.

Carry over of funding from FY2024/25

31. In previous years, WWL has utilised the ability to carry over unspent allocated funds to allow for fluctuations in annual budgets. Any changes or limitations to this ability could potentially restrict WWL's flexibility to efficiently deliver the proposed triennium programme. Therefore, WWL asks Council to **confirm** their proposed approach to carry overs from FY2024/25 into FY2025/26 and FY2026/27 and advise if there are any limitations that will apply.

FY2025/26 and Triennium capital expenditure

32. The level of capital funding agreed in the LTP, including Council agreed carry overs, was \$60.17M for FY2025/26 and \$190.61M over the triennium. Based on WWL's updated forecasts for FY2025/26, we are now recommending a slight decrease in the FY2025/26 budget to \$59.55M, but an overall increase to \$204.60M across the triennium, the details of which are shown in the updated LTP programme attached as **Appendix A**.

33. Table 1 sets out a summary of approved and proposed expenditure levels of the FY2025/26 and Triennium capital delivery plan, by water type and Local Government Act 2002 (LGA) classification.

Table 1: Summary of approved vs proposed capital expenditure for FY2025/26 and Triennium, by water and LGA classification (\$)

		FY2025/26 Approved Budget (\$)	Proposed FY2025/26 Budget (\$)*	Changes between FY2025/26 Approved and Proposed Budget	Approved Triennium Budget (\$)	Proposed Triennium Budget (\$)	Triennium Projects for Council Consideration (\$)
Drinking Water		13.87M	14.03M	0.16M	35.61M	47.34M	16.38M
	Growth	0.16M	0.16M	0.00M	0.46M	0.46M	0.20M
	Level of Service	4.77M	1.79M	(2.99)M	9.50M	10.06M	1.27M
	Renewal	8.94M	12.09M	3.15M	25.64M	36.82M	14.91M
Stormwater		4.10M	4.12M	0.03M	18.82M	16.83M	7.85M
	Growth	0.16M	0.16M	0.00M	0.46M	0.46M	
	Level of Service	2.23M	2.21M	(0.03)M	6.40M	6.25M	
	Renewal	1.71M	1.76M	0.05M	11.96M	10.11M	7.85M
Wastewater		42.21M	41.40M	(0.81)M	136.18M	140.42M	9.66M
	Growth	0.16M	0.16M	0.00M	5.63M	6.92M	
	Level of Service	15.58M	15.88M	0.30M	31.12M	35.27M	
	Renewal	26.47M	25.37M	(1.11)M	99.42M	98.24M	9.66M
Total		60.17M	59.55M	(0.62)M	190.61M	204.60M	33.89M
Corporate Cost adjustments**					(4.10)M	(4.10)M	
Urgent capability improvements***						0.49M	
Net programme savings from replacing contractors						(0.49)M	
Grand Total		60.17M	59.55M	(0.62)M	186.51M	200.50M	33.89M

* There may be further movements based on cost changes that need approval and some uncertainty around the timing of the treatment plant programme

** Corporate cost adjustment from the review as advised in October

*** Investment needed to lift corporate capability and maturity from FY25/26

34. **Appendix A** provides a detailed breakdown of initiatives that make up Council's FY2025/26 capital delivery plan, the triennium programme, and the adopted 2024-34 LTP.
35. The significant changes proposed to the LTP capital programme for the triennium are:
- \$1.3M Taranaki Rising Main with an expected practical completion in January 2025
 - \$1.3M Pump Station 1 – 7
 - \$0.4M Wakefield St & Kent Terrace Rising Main by bringing forward funds to complete optioneering and re-establish the programme
 - \$1.1M Carey's Gully SDP renewals
 - (\$4.0M) Aro Valley WW renewals & (\$2.1M) Agra phasing & (\$1.6M) Pipe renewals

- (\$1.4M) Reduction in the pressure management programme
 - \$3.9M – additional network reactive drinking water renewals to support leak repair initiative
 - \$2.0M WWTP Aeration System
 - \$1.6M WWTP Roof & Odour Treatment
 - \$0.6M Wrights Hill, \$0.8M DMA Fleet Meters.
36. WWL notes that there are additional projects currently under investigation, and urgent unexpected events, which may need to be prioritised and included in the programme once the scope of work and costs have been developed. These projects include:
- \$5.9M - reactive renewals for pump stations, meters and reservoirs
 - \$14.5M - requested across network reactive renewal budgets for all waters to meet observed increases to failures across all network assets, and consequent requirement for increased reactive capital renewal activity to address the faults
 - \$2.5M - WWTP EIC renewals which is subject to final tender pricing in February 2025. \$0.6M for the MCC room ventilation programme to bring forward into FY25/26. The MCC room houses the EIC systems
 - \$0.7M WWTP UV system (Moa & Western) and a change in programme timing with the majority of the spend now occurring in FY25/26
 - \$1.3M - Fire Hydrants & Highland Park Reservoir
 - \$9.0M - Service Connection renewals.
37. A further \$1.4M to renew District Area meters has been identified across the triennium. The work is considered to be critical to ensuring a good understanding of water loss. Wellington Water is in the process of confirming the exact budget requirements for this work across the LTP and as a result, this additional budget is not reflected in the current updated programme and will be included in stage 2 of the advice.
38. In addition, Wellington Water notes that there are several pipe renewals projects which have been fully designed but have not been able to be delivered within the triennium due to funding constraints. If Council is able to provide additional triennium funding, Wellington Water would be able to progress some of these.

Universal Residential Smart Metering

39. A programme of work is underway to develop a business case for the delivery of residential smart metering across the four metropolitan Councils of the region. This is due to be completed in FY2024/25.
40. Council allocated Opex funding for the development of the business case, including \$0.4M for FY25/26, in addition to Capex funding of \$124.2M in the 2024-34 LTP, for the roll out of universal residential smart meters across years 4–9 in the LTP.
41. As the programme progresses over the coming months, WWL will be able to provide Council with further updates and more certainty around timeframes and costs. We expect to provide an update in February 2025, and again in mid-2025 when the draft business case is due to be completed.

FY2025/26 Operational Expenditure

42. The level of funding for operational expenditure approved in the LTP for FY2025/26 was \$60.70M. While the annual planning process is still underway, our early advice based on forecasts is that an increase in funding of up to \$8.53M is recommended in order to meet additional costs, as detailed below.
43. Table 2 summarises how Council's FY2025/26 operational expenditure budget is currently allocated, and sets out the proposed revisions based on updated forecasts.

Table 2: Summary of approved and proposed operational expenditure for FY2025/26 (\$) by water and investment category

WCC Draft Council OPEX Annual Plan 25/26		25/26 Approved LTP Budget	Proposed 25/26 Draft Budget	Variance
Drinking Water	Monitoring & Investigations	4.00M	4.53M	0.53M
	Operations	0.23M	0.19M	(0.04)M
	Planned Maintenance	3.72M	3.86M	0.14M
	Reactive Maintenance	13.06M	13.62M	0.56M
	Management & Advisory Services	1.97M	2.10M	0.13M
Total Drinking Water		22.98M	24.30M	1.32M
Stormwater	Monitoring & Investigations	1.02M	1.55M	0.53M
	Operations	0.03M	0.03M	(0.01)M
	Planned Maintenance	0.96M	3.94M	2.97M
	Reactive Maintenance	1.40M	1.51M	0.11M
	Management & Advisory Services	0.98M	1.05M	0.06M
Total Stormwater		4.40M	8.08M	3.67M
Wastewater	Monitoring & Investigations	2.74M	4.11M	1.37M
	Operations	0.15M	0.12M	(0.02)M
	Planned Maintenance	1.84M	2.32M	0.48M
	Reactive Maintenance	3.59M	5.10M	1.52M
	Treatment Plant	15.84M	15.79M	(0.04)M
	Management & Advisory Services	3.61M	3.85M	0.24M
Total Wastewater		27.76M	31.30M	3.54M
Wastewater Joint Venture	Treatment Plant	5.55M	5.55M	0.00M
Total Wastewater Joint Venture		5.55M	5.55M	0.00M
Total		60.70M	69.23M	8.53M
Urgent capability improvements for FY2025/26*			0.93M	
Net programme savings from replacing contractors*			(0.93)M	
Grand Total		60.70M	69.23M**	8.53M

*Investment needed to lift Corporate Capability – this will be offset by corresponding savings from bringing services in house and reducing spending on consultants and contractors

**This total does not include additional investment for System Enhancements and Organisational Capability – please see Table 3 in Section Three of the memo for detailed information on investments required in Organisational Capability and Systems

44. **Appendix B** provides a breakdown of Council's agreed budget by category for operational expenditure in the 2024-34 LTP.
45. The largest factors in the revised operational expenditure forecasts for the current and future financial years are in the areas of Monitoring and Investigations, and Planned and Reactive Maintenance, for Stormwater and Wastewater. This is driven by the following:

Monitoring and Investigations:

- Increases to regional sustainable water supply and demand activities following improvements in our understanding of the effectiveness of different interventions, in particular, proactive leak detection activity as well as educational and data work
- Increases to support condition assessment activities
- Increases to fund general investigations and growth studies.

Planned Maintenance:

- Increases to funding for planned maintenance activities for Stormwater, including a provision of \$1.2M for the cleaning of the Harris Street Syphon
- Increases to funding for planned maintenance activities for Wastewater, including gravity main flushing, overflow monitoring, and pump station maintenance.

Reactive Maintenance:

- Uplifts in Wastewater reactive maintenance to meet required levels of service.

Section Two: Funding levels and residual risks

46. The final approved budgets for capital and operational expenditure across the full ten years of the 2024-34 LTP period were below the levels recommended by WWL:

- Capital expenditure - WWL recommendation of \$1,793.5M vs Council agreed investment of \$1,026M for capital development activities such as replacing and upgrading ageing water assets.
- Operational expenditure - WWL recommendation of \$716.6M vs Council agreed investment of \$608.7M, for key operational activities including supplying safe drinking water, collecting & treating wastewater, fixing leaks and maintenance.

47. There are a number of risks resulting from the current levels of funding for capital and operational expenditure:

- In FY2023/24, the total renewal rate was 3.7km, and based on current forecasts, the total projected renewal rate for FY2024/25 is 0.5km. The current level of investment in network renewals within the programme is below the level necessary to achieve a renewals rate of around 40km per year, which is the level required to sustainably renew the three waters networks.
- Increased investment is required for reactive pipe renewals, due to historic underinvestment in renewing aging pipes and observed rising rates of failures. Without additional investment, the significant and growing backlog of aging pipes will lead to more leaks and bursts, as pipes continue to degrade faster than they are being renewed.
- Investment is required to address the critical water supply risk, including the limited water storage in reservoirs and the risk of asset failures, until remediation and growth projects (such as Bell Road, Moe-i-te-Ra, and Highland Park) are completed.
- The condition of the Moa Point Wastewater Treatment Plant (WWTP) assets means that there will continue to be compliance issues until the funded renewals and upgrades are complete. In addition, there is not enough capacity at the Moa Point WWTP to meet full compliance when major maintenance is needed.

- Cost estimation - a proportion of the programme relating to Treatment Plant components and new initiatives includes cost estimates within the triennium and LTP, which have a low degree of cost certainty.
- The Network Discharges Programme planned investment packages included in the LTP will need to be re-assessed following the conclusion of the Plan Change one process.

Section Three: Uplifting Capability

48. As a result of the changes we have made following the 2024 review, we have brought forward our business planning cycle to align with Council's annual planning cycle. The first stage of advice to councils indicates that an increase to corporate budgets is required above what was agreed in the 2024-34 LTP.
49. There are also further investments needed to provide for critical systems updates and to lift corporate capability and maturity, as recommended in the 2024 review.
50. When it comes to organisational capability, maturity, and technological systems – we are far behind on where we need to be. Wellington Water is not right sized for the work that we need to deliver for our shareholders or to deal with the challenges the region faces with water infrastructure. Our programme of work and responsibility has grown over the past ten years but the investment into the organisation to support this work has not. For example, in FY2018/19 we were responsible for a capital programme of \$65M and in FY2023/24 we were responsible for a capital programme of \$329M. That's around 400% increase in delivery in five years, but investment in corporate support, systems, and processes has not kept pace.
51. Table 3 below sets out the additional investment needed at a Council level in FY2025/26 and FY2026/27. This includes \$7.59M for System Enhancements in FY2025/26 (\$3.18M in FY2026/27) and \$1.73M for Organisational Capability Improvements in FY2025/26.

Table 3: Investments required in Organisational Capability and Systems at a Council level

Wellington City Council - anticipated additional investment	25/26 Proposed (\$)	26/27 Proposed (\$)
Additional Management & Advisory Services <i>(Included in Base Opex programme)</i>	0.43M	1.15M
System Enhancements	7.59M	3.18M
Annual Operating costs post implementation	0.12M	1.15M
Organisational Capability	1.73M	N/A
Total	9.87M	5.48M

Corporate Budget

52. In FY2024/25 we reduced our Management & Advisory Services Fee (MAS) by 5% from our original advice in response to cost-cutting requirements of councils. However, in taking a 'value add' mindset we have looked at the resourcing needed for councils' capital and

operational programmes for the upcoming years and revised the way we will deliver this work. As a result, we have reassessed our staffing needs and intend to add 40 additional roles.

53. 28 of these roles will be to bring in FTEs to reduce our spend on consultants on project work and to deliver three waters services and deliver this work internally for cheaper. The remaining 12 new roles are to respond to councils' expectation to be more efficient and effective and include two additional senior leadership roles. Some of these roles, over time, will also have an impact on reducing consultancy spend.
54. This increase in headcount, with flow-on increases in IT licences, vehicles, accommodation, consumables etc, plus continued high inflation of costs, means that our forecast expenditure for 25/26 has increased by \$6.7M.
55. The majority of these costs will be charged to councils' Capex and Opex budgets as they are linked to delivery of these activities, and these costs will be offset by reduced use of consultants. Councils will see benefit in value for money through bringing work in house, building internal capability, reducing inefficiencies and increasing level of service.
56. We are incurring costs for implementing the Organisational Capability Plan in this financial year which is putting pressure on our budgets. We are trying to manage this within budget, although it may result in reducing the retained earnings next year below the \$2m we have worked within to date. We are requesting increased funding for the internal capability element of \$1.5M for FY2025/26.
57. We will continue to look for opportunities to bring work that is currently outsourced in-house and apply a 'value for money' lens in the way we deliver our services. However, there are some distinct pieces of work that require specialist skills which we will use consultants for, as it is more prudent for us to bring in consultants for short periods of time to support these activities. This mainly relates to our corporate space and covers activities such as compliance, expert advice to help us make improvements, and to review our systems and processes.

Investments required in Organisational Capability and Systems

Technology systems investment

58. Over the last three years, WWL has made only very limited, 'no regrets' investment in technology systems, as it was expected that Affordable Water reform would deliver new technology systems for the proposed new water services entities. At the same time there has been significant growth in the organisation's activities and therefore the technology systems it uses are no longer fit for purpose.
59. This has led to a current state where decisions can be made based on incomplete or out of date information, there is inefficiency in day-to-day task execution and high risk of operational error and asset failure. Further delay in investment will also lead to increased risk of successful cyber-attack and critical data loss due to systems reaching end of life. This means they are no longer being supported by vendors or kept up to date with security protections.
60. These issues have been highlighted by the recent capital programme estimating error, where deficiencies in systems were identified as a contributing factor. The 2024 review also noted that WWL should no longer wait for water reform to resolve issues with its current organisational capability but ensure any changes made now are pragmatic and keep the future new entity in mind.

61. In line with the WWL's Statement of Intent 2024-2027⁴ (the SOI), WWL has prepared technology systems investment options. These are focused on supporting resolution of current efficiency and effectiveness issues and enabling asset management improvements that can benefit a new water services model. The recommended investment option has been endorsed by the Wellington Water Committee and the details of this option are set out below.
62. In total, WWL requires \$37.5M over two financial years, with an ongoing operating cost of \$4-5M per annum investment to deliver the following critical systems, the associated business change necessary for their successful adoption, and their ongoing operation:
- Construction Project Management System
 - Documents and Records (content) Management System
 - Health & Safety System
 - Asset Management System
 - Finance System
 - Customer Relationship Management System.
63. This is the set of systems recommended to address the critical issues. These are also essential tools for a new regional Water Services Council Controlled Organisation (WSCCO). If WWL remains as an organisation, further investment will be required.
64. Notable benefits of this investment include:
- Mitigation of significant operational and cyber risk
 - The ability to be more efficient in building, operating, and maintaining the water assets and the services they deliver
 - Increased ability to monitor WWL's operations and performance more effectively, and therefore be transparent in its reporting on the delivery of safe, reliable, complaint and affordable drinking water, stormwater, and wastewater services.

Organisational Capability Plan

65. The 2024 review exposed gaps and risks, particularly around WWL's compliance, commercial capability, and systems, and highlighted the need for significant capability uplift.
66. In response, WWL developed an Organisational Capability Plan (provided to Councils at the Wellington Water Committee on 27 September 2024), to enhance controls and assurance, improve operational effectiveness, identify value for money opportunities, and strengthen culture and ways of working. The plan aims to consolidate all necessary activities over the next two years, ensuring WWL has the right capability to deliver on councils' capital delivery programme while preparing for transition to a new entity.
67. This investment is critical; without it, WWL will not be able to make the necessary foundational improvements needed to successfully deliver on its responsibilities.

⁴ *Our water, our future – Statement of Intent 2024-27*: <https://www.wellingtonwater.co.nz/assets/Reports-and-Publications/Wellington-Water-Statement-of-Intent-2024-27.pdf>

Next steps

68. WWL is committed to working with Council and we are keen to meet with Council Officers to discuss the content of the memo. In addition, following upcoming Council meetings, please advise WWL of relevant decisions so that these can be incorporated into the ongoing work to support your annual planning process.

Appendix A : Detailed Triennium and LTP Capex programme

	2024/25	2025/26	2026/27	Triennium	TOTAL LTP
Approved Revised LTP Budget - 1st July 2024	61,802,142	60,168,126	68,636,615	190,606,883	1,026,850,003
WWL Proposed Programme (excludes corporate cost adjustment for Years 1-3)	69,907,906	59,548,471	75,139,141	204,595,518	1,037,808,524
Corporate Cost Adjustment for Triennium	(2,300,000)	(1,300,000)	(500,000)	-4,100,000	
Urgent capability improvements				488,578	
Net programme savings from replacing contractors				-488,578	
Proposed additional projects to consider	6,978,811	18,088,768	8,818,321	33,885,900	38,774,355

Council	Water	LGA	Project Description	FY24-25 Programme (\$)	FY25-26 Programme (\$)	FY26-27 Programme (\$)	Triennium Programme (\$)	TOTAL LTP (\$)
WCC	Drinking Water	Growth	Bell Road Reservoir Inlet Outlet Mains	0	0	0	0	400,000
WCC	Drinking Water	Growth	WCC Reactive Growth Development Projects - Drinking Water	153,525	155,250	155,250	464,025	1,514,025
WCC	Drinking Water	Level of service	(SWS) WCC PW Pressure Management - Phase 3	0	0	0	0	0
WCC	Drinking Water	Level of service	Moe-i-te-Ra (Bell Rd) Reservoir	0	0	0	0	6,400,000
WCC	Drinking Water	Level of Service	Pressure Management - Stage 1 Close out costs	200,000	0	0	200,000	200,000
WCC	Drinking Water	Level of service	Regional Pressure Management & PRV upgrades	200,000	400,000	2,200,000	2,800,000	4,800,000
WCC	Drinking Water	Level of service	WCC Capital Carbon Modelling - Drinking Water	20,470	20,700	20,700	61,870	201,870
WCC	Drinking Water	Level of service	WCC DMA Meter Fleet New Installs	0	0	0	0	0

Preliminary advice to Wellington City Council regarding proposed three waters capital and operational expenditure budgets for the 2025/26 financial year and triennium

WCC	Drinking Water	Level of service	WCC Drinking Water Network Modelling	650,000	250,000	300,000	1,200,000	4,700,000
WCC	Drinking Water	Level of service	WCC Security Locks Reservoirs	20,000	20,000	20,000	60,000	120,000
WCC	Drinking Water	Level of service	WCC Universal Residential Smart Metering	0	0	0	0	124,204,000
WCC	Drinking Water	Level of service	WCC VHCA Buried Reservoir Integrity Upgrades	153,525	1,000,000	1,800,000	2,953,525	5,153,525
WCC	Drinking Water	Level of service	WCC-CPX-Wrighthill Reservoir Seismic Upg	597,061	0	0	597,061	597,061
WCC	Drinking Water	Level of service	WCC Reservoir Level of Service Improvements	93,417	94,691	94,691	282,800	917,176
WCC	Drinking Water	Level of service	Wrights Hill Reservoir Seismic Improvements	1,905,229	0	0	1,905,229	1,905,229
WCC	Drinking Water	Renewal	Aro Street Ridermain Renewal - reactive repair	492,699	1,192,699		1,685,398	1,685,398
WCC	Drinking Water	Renewal	Bell Road Reservoir	0	0	0	0	4,000,000
WCC	Drinking Water	Renewal	Cockayne Road Water Main Renewal (Urgent Works)	861,919	0	0	861,919	861,919
WCC	Drinking Water	Renewal	Johnsonville Water Main Renewal [sp]	0	228,916	2,664,429	2,893,345	4,312,865
WCC	Drinking Water	Renewal	Kilbirnie Crescent Water Renewal	0	0	0	0	3,105,000
WCC	Drinking Water	Renewal	Main Road (68-Redwood Ave) Water Network Renewals	0	25,000	0	25,000	25,000
WCC	Drinking Water	Renewal	Newlands Water Main Renewal [sp]	466,767	1,742,785	3,543,905	5,753,457	5,753,457
WCC	Drinking Water	Renewal	Oriental Pde, Oriental Bay Water Main Renewal [sp]	0	0	155,250	155,250	8,167,049
WCC	Drinking Water	Renewal	Oxford Street (Main St- Surrey St) Watermain Renewal	0	0	0	0	2,422,382
WCC	Drinking Water	Renewal	Tawa Street (Main Rd - Duncan St) Watermain Renewal	0	0	0	0	2,303,748
WCC	Drinking Water	Renewal	Wadestown Rd, Wadestown Water Main Renewal [sp]	0	0	0	0	3,913,612
WCC	Drinking Water	Renewal	WCC Commercial Meter Renewal	170,113	172,024	172,024	514,161	1,555,708
WCC	Drinking Water	Renewal	WCC DW Control Systems Renewals	40,940	41,400	61,400	143,740	463,740
WCC	Drinking Water	Renewal	WCC Pipe Network Planned Renewals - Drinking Water	0	0	0	0	65,825,286
WCC	Drinking Water	Renewal	WCC Pipe Network Reactive Renewals - Drinking Water	6,160,269	6,498,832	6,572,163	19,231,264	37,231,093
WCC	Drinking Water	Renewal	WCC Programme - Drinking Water Defects & Close out cost	294,429	84,870	200,000	579,299	579,299
WCC	Drinking Water	Renewal	WCC VHCA Reservoir Water Quality Renewals	200,000	1,900,000	2,000,000	4,100,000	8,100,000
WCC	Drinking Water	Renewal	WCC District Meter Area Renewals	102,350	103,500	275,251	481,101	2,147,590

WCC	Drinking Water	Renewal	WCC Water Pump Station Renewals	185,303	98,325	112,815	396,443	1,293,612
WCC	Drinking Water	Renewal	Wilton Rd, Wilton Water Main Renewal [sp]	0	0	0	0	5,607,767
WCC	Stormwater	Growth	WCC Reactive Growth Development Projects - Stormwater	153,525	155,250	155,250	464,025	1,514,025
WCC	Stormwater	Level of service	CBD Stormwater Flooding Improvement Projects	111,750	517,500	917,500	1,546,750	8,546,750
WCC	Stormwater	Level of service	Johnsonville Stormwater Flooding Improvement Projects	55,875	258,750	358,750	673,375	4,173,375
WCC	Stormwater	Level of service	Main Road (68-74) Tawa Stormwater Improvement	0	0	0	0	0
WCC	Stormwater	Level of service	NDP: Resource consent for stormwater discharges	307,050	310,500	310,500	928,050	928,050
WCC	Stormwater	Level of service	NDP: SMS workstream 1 implementation for water quality (modelling)	102,350	103,500	103,500	309,350	7,043,350
WCC	Stormwater	Level of service	NDP: SW Subcatchment Asset Management Plan - Lambton	0	0	0	0	1,120,000
WCC	Stormwater	Level of service	NDP: SW Subcatchment Asset Management Plan - Wellington A	0	0	0	0	280,000
WCC	Stormwater	Level of service	NDP: SW Subcatchment Asset Management Plan - Wellington City pilot	0	0	0	0	6,190,000
WCC	Stormwater	Level of service	Papawai Stream Erosion Control	200,000	50,000	0	250,000	250,000
WCC	Stormwater	Level of service	Shirley Street (37-39) to Hurman St (2) Stormwater Upgrade	0	0	0	0	0
WCC	Stormwater	Level of service	Tawa Stormwater - Bartlett Grv, Tawa	0	0	0	0	2,858,900
WCC	Stormwater	Level of service	Tawa Stormwater - Collins Ave, Tawa	0	0	0	0	42,437,900
WCC	Stormwater	Level of service	Tawa Stormwater - Lincoln Ave, Tawa	0	0	0	0	11,553,800
WCC	Stormwater	Level of service	Tawa Stormwater - Lyndhurst Road, Tawa	0	0	0	0	17,075,000
WCC	Stormwater	Level of service	Tawa Stormwater - Park Ave, Tawa	0	0	0	0	23,013,200
WCC	Stormwater	Level of service	Tawa stormwater flooding improvement projects	55,875	258,750	358,750	673,375	4,173,375
WCC	Stormwater	Level of service	VHC SW Culverts - Moorefield Rd	35,000	0	0	35,000	35,000
WCC	Stormwater	Level of service	WCC Capital Carbon Modelling - Stormwater	20,470	20,700	20,700	61,870	201,870
WCC	Stormwater	Level of service	WCC Climate Resilience Model	0	77,625	0	77,625	77,625
WCC	Stormwater	Level of service	WCC Global consent for operations and maintenance works in streams	20,470	20,700	0	41,170	41,170
WCC	Stormwater	Level of service	WCC New Smart Services - Stormwater	25,000	25,000	25,000	75,000	250,000
WCC	Stormwater	Level of service	WCC Stormwater Network Modelling	358,225	362,250	362,250	1,082,725	3,532,725

WCC	Stormwater	Level of service	WCC SW Drainage Improvement Projects	50,000	200,000	250,000	500,000	2,250,000
WCC	Stormwater	Renewal	Agra Crescent Stormwater Renewal	0	0	4,467,851	4,467,851	8,871,409
WCC	Stormwater	Renewal	Allington Road Culvert Replacement	0	0	0	0	2,750,000
WCC	Stormwater	Renewal	Stirling Street (10-14) Adelaide Road (493) Stormwater Renewal	0	0	414,000	414,000	457,408
WCC	Stormwater	Renewal	VHC SW Culverts - Moorefield Rd	0	0	259,499	259,499	1,618,872
WCC	Stormwater	Renewal	WCC Pipe Network Planned Renewals - Stormwater	0	0	0	0	17,759,040
WCC	Stormwater	Renewal	WCC Pipe Network Reactive Renewals - Stormwater	622,406	608,699	358,248	1,589,352	11,598,828
WCC	Stormwater	Renewal	WCC SW Control Systems Renewals	14,329	17,595	36,560	68,484	208,484
WCC	Stormwater	Renewal	WCC SW Drainage Investigations Water Quality Renewals	835,176	886,788	931,127	2,653,091	10,343,891
WCC	Stormwater	Renewal	WCC SW Pump Station Renewals	104,397	110,849	116,127	331,373	1,470,473
WCC	Stormwater	Various	WCC Programme - Stormwater Defects & Close out cost	12,282	136,465	175,000	323,747	323,747
WCC	Wastewater	Growth	Taranaki St New WW Rising Main	6,454,818	0	0	6,454,818	6,454,818
WCC	Wastewater	Growth	WCC Reactive Growth Development Projects - Wastewater	153,525	155,250	155,250	464,025	1,514,025
WCC	Wastewater	Level of service	Airport WW Interceptor	2,177,000	3,308,100	0	5,485,100	5,485,100
WCC	Wastewater	Level of service	Moa Point WWTP IPS Roof (for SMF)	0	0	0	0	1,000,000
WCC	Wastewater	Level of service	Moa Point WWTP Treatment System Modification (consent required)	0	0	0	0	200,000
WCC	Wastewater	Level of service	Moa Point / Western / Careys Gully Electrical and control upgrades	3,070,500	6,210,000	6,210,000	15,490,500	19,490,500
WCC	Wastewater	Level of service	Murphy St WW Interceptor connection Overflow improvements	200,000	3,000,000		3,200,000	3,200,000
WCC	Wastewater	Level of service	NDP: Resource consent for dry weather overflows	307,050	310,500	0	617,550	617,550
WCC	Wastewater	Level of service	NDP: Resource consent for wet weather overflows	767,625	776,250	776,250	2,320,125	2,320,125
WCC	Wastewater	Level of service	NDP: WW overflows universal measures	102,350	103,500	103,500	309,350	1,009,350
WCC	Wastewater	Level of service	NDP: WWNO subcatchment reduction plan - Lambton	0	0	0	0	10,820,000
WCC	Wastewater	Level of service	NDP: WWNO subcatchment reduction plan - Wellington A	0	0	0	0	20,860,000
WCC	Wastewater	Level of service	NDP: WWNO subcatchment reduction plan - Wellington City pilot	0	0	0	0	65,956,211
WCC	Wastewater	Level of service	Otari-Wilton Bush upgrade (Churchill Road)	307,050	2,587,500		2,894,550	2,894,550

WCC	Wastewater	Level of service	Pump Stations 1 - 7 Upgrades	2,494,549	3,431,701	2,685,714	8,611,964	8,611,964
WCC	Wastewater	Level of Service	Taranaki St New WW PS	55,000	0	0	55,000	55,000
WCC	Wastewater	Level of Service	Wakefield St new Rising Main	8,125,867	2,013,633	0	10,139,500	10,139,500
WCC	Wastewater	Level of service	WCC Capital Carbon Modelling - Wastewater	20,470	20,700	20,700	61,870	201,870
WCC	Wastewater	Level of service	WCC New Smart Services - Wastewater	25,000	25,000	25,000	75,000	250,000
WCC	Wastewater	Level of service	WCC Wastewater Network Modelling	300,000	300,000	300,000	900,000	3,550,000
WCC	Wastewater	Level of service	WCC WW Manhole Cover Safety Improvements	600,000	0	0	600,000	600,000
WCC	Wastewater	Level of service	Western WWTP Process Model Development	0	0	0	0	400,000
WCC	Wastewater	Level of service	Western WWTP Treatment System Modification (consent required)	0	0	0	0	200,000
WCC	Wastewater	Renewal	Aro Valley Wastewater Renewals (Adams, Aro, Holloway, Maarama, Fairlie, Landcross Streets)	0	0		0	4,000,000
WCC	Wastewater	Renewal	Bellevue subdivision Horokiwi Sewer Renewal (Urgent Works)	1,733,648	0	0	1,733,648	1,733,648
WCC	Wastewater	Renewal	Cable St (6-21) Wastewater Pipe Renewal	0	0	107,251	107,251	1,710,564
WCC	Wastewater	Renewal	Carey's Gully SDP Planned Renewals	200,000	300,000	0	500,000	500,000
WCC	Wastewater	Renewal	Careys Gully Sludge Dewatering Renewal	15,767	0	0	15,767	15,767
WCC	Wastewater	Renewal	Consent renewal - Moa Point and IPS PS discharge to air (exp 2034 and 2033 respectively)	0	0	0	0	1,500,000
WCC	Wastewater	Renewal	Consent renewal - Moa Point coastal discharge (exp 2034)	0	0	0	0	4,000,000
WCC	Wastewater	Renewal	Consent renewal - Moa Point foreshore and seabed occupation (exp 2034)	0	0	0	0	650,000
WCC	Wastewater	Renewal	Consent renewal - Moa Point partially treated wastewater (exp 2034)	0	0	0	0	650,000
WCC	Wastewater	Renewal	Consent renewal - Western WWTP coastal discharge (exp 2035)	0	0	0	0	4,000,000
WCC	Wastewater	Renewal	Consent renewal - Western WWTP discharge to air (exp 2035)	0	0	0	0	500,000
WCC	Wastewater	Renewal	Consent renewal - Western WWTP partially treated discharge to CMA (exp 2035)	0	0	0	0	500,000
WCC	Wastewater	Renewal	Eastern trunk main WW Renewal - Stage 1 (Airport cargo area)	1,306,200	0	0	1,306,200	19,306,200
WCC	Wastewater	Renewal	Golden Mile and Lambton Quay	2,457,701	2,667,332	3,000,000	8,125,033	23,333,596
WCC	Wastewater	Renewal	Karori Effluent Pipeline Remediation	1,514,488	41,683	4,728	1,560,899	1,560,899

WCC	Wastewater	Renewal	Kemp St Wastewater Renewal	0	0	118,560	118,560	549,498
WCC	Wastewater	Renewal	Kent Tce and Oriental Pde Rising main renewal	200,000	0	0	200,000	48,067,232
WCC	Wastewater	Renewal	Moa Point SMF Facility Maintenance	0	0	0	0	7,220,000
WCC	Wastewater	Renewal	Moa Point WWTP Aeration System Renewal	1,023,500	1,035,000	1,321,631	3,380,131	18,860,131
WCC	Wastewater	Renewal	Moa Point WWTP Chemical Tanks Renewal	300,000	0	0	300,000	300,000
WCC	Wastewater	Renewal	Moa Point WWTP Clarifiers & Associated Equipment	1,176,362	0	0	1,176,362	1,176,362
WCC	Wastewater	Renewal	Moa Point WWTP Critical Spares	0	0	0	0	650,000
WCC	Wastewater	Renewal	Moa Point WWTP General Instrumentation	0	0	0	0	600,000
WCC	Wastewater	Renewal	Moa Point WWTP IPS Renewal	1,212,629	556,600		1,769,229	2,269,229
WCC	Wastewater	Renewal	Moa Point WWTP Odour and Ventilation Renewal	300,000	300,000	300,000	900,000	8,500,000
WCC	Wastewater	Renewal	Moa Point WWTP Odour Control System Renewal	24,965	0	0	24,965	24,965
WCC	Wastewater	Renewal	Moa Point WWTP Planned Renewals	2,366,726	2,395,400	2,350,000	7,112,126	33,612,126
WCC	Wastewater	Renewal	Moa Point WWTP Process Model Development	110,000			110,000	1,000,000
WCC	Wastewater	Renewal	Moa Point WWTP Reactive Renewals	1,263,681	860,639	1,159,200	3,283,520	8,403,520
WCC	Wastewater	Renewal	Moa Point WWTP Roof Renewal	1,596	0	0	1,596	1,596
WCC	Wastewater	Renewal	Moa Point WWTP Roof Replacement & Associated Works	200,000	200,000	271,639	671,639	8,550,000
WCC	Wastewater	Renewal	Moa Point WWTP Site Services & Buildings Refurbishment	0	0	0	0	3,000,000
WCC	Wastewater	Renewal	Moa Point WWTP UV System Renewal	0	0	0	0	1,200,000
WCC	Wastewater	Renewal	Moa Point WWTP UV Renewal	5,598,700	1,102,700	0	6,701,400	6,701,400
WCC	Wastewater	Renewal	Rolleston St (33 -55) Wastewater Renewals (sp)	0	0	0	0	1,139,422
WCC	Wastewater	Renewal	Seatoun North Wastewater Renewal	0	0	327,883	327,883	10,413,122
WCC	Wastewater	Renewal	Stratford Way (5) - Wilton Road (89) Wastewater Renewal [sp]	0	0	819,132	819,132	1,619,132
WCC	Wastewater	Renewal	Victoria Street Rising Main Renewal	1,485,000	5,353,531	12,452,474	19,291,005	22,402,971
WCC	Wastewater	Renewal	WCC Pipe Network Planned Renewals - Wastewater	0	0	0	0	22,851,929
WCC	Wastewater	Renewal	WCC Pipe Network Reactive Renewals - Wastewater	2,446,058	1,435,913	1,116,579	4,998,550	16,385,633

WCC	Wastewater	Renewal	WCC Programme - Wastewater Defects & Close out cost	131,763	414,000	375,000	920,763	920,763
WCC	Wastewater	Renewal	WCC Wastewater Renewals - Newtown - Portion 1 [sp]	0	80,000	5,095,000	5,175,000	5,225,259
WCC	Wastewater	Renewal	WCC Wastewater Renewals - Newtown - Portion 2 [sp]	0	0	329,130	329,130	15,329,130
WCC	Wastewater	Renewal	WCC Wastewater Renewals - Newtown - Portion 3 [sp]	0	0	0	0	3,426,955
WCC	Wastewater	Renewal	WCC Western WWTP Planned Renewals	130,000	100,000	517,500	747,500	4,247,500
WCC	Wastewater	Renewal	WCC WW Control Systems Renewals	40,940	41,400	61,400	143,740	463,740
WCC	Wastewater	Renewal	WCC WW Drainage Investigations Water Quality Renewals	1,391,960	1,488,330	1,573,366	4,453,656	23,899,952
WCC	Wastewater	Renewal	WCC-CPX-Landfill Road Manhole Renewals	111,743	0	0	111,743	111,743
WCC	Wastewater	Renewal	WCC WW Pump Station Renewals	503,480	533,894	560,804	1,598,179	6,229,299
WCC	Wastewater	Renewal	Western WWTP UV Replacement	1,150,000	0	0	1,150,000	1,150,000
WCC	Wastewater	Renewal	Western WWTP Critical Spares	0	0	0	0	200,000
WCC	Wastewater	Renewal	Western WWTP General Instrumentation	0	0	0	0	300,000
WCC	Wastewater	Renewal	Western WWTP Mechanical Equipment Renewals	0	0	0	0	12,000,000
WCC	Wastewater	Renewal	Western WWTP Reactive Renewals	298,000	250,000	250,000	798,000	2,373,000
WCC	Wastewater	Renewal	Western WWTP Site Services and Building Renewal	0	0	0	0	400,000
WCC	Wastewater	Renewal	Willeston and Harris Wastewater Renewal	0	0	2,782,960	2,782,960	2,826,003
WCC	Wastewater	Renewal	WWTP Design Fund - Moa	0	0	0	0	0
			Total	69,907,906	59,548,471	75,139,141	204,595,518	1,037,808,524

Under Consideration projects

Council	Water	LGA	Project Description	FY24-25 Programme (\$)	FY25-26 Programme (\$)	FY26-27 Programme (\$)	Triennium Programme (\$)	TOTAL LTP (\$)
WCC	Drinking Water	Level of service	WCC Reservoir Level of Service Improvements	56,583	55,309	55,309	167,200	582,824
WCC	Drinking Water	Level of service	WCC Management of Fire Hydrant Use	0	100,000	1,000,000	1,100,000	1,600,000

WCC	Drinking Water	Renewal	WCC District Meter Area Renewals	651,650	546,500	424,749	1,622,899	1,622,899
WCC	Drinking Water	Renewal	WCC Water Pump Station Renewals	334,697	421,675	407,185	1,163,557	3,906,388
WCC	Drinking Water	Renewal	WCC Pressure Reducing Valve (PRV/PCV) Renewals	260,000	260,000	260,000	780,000	2,600,000
WCC	Drinking Water	Renewal	WCC Reservoir Renewals	130,000	130,000	130,000	390,000	1,300,000
WCC	Drinking Water	Renewal	Service connection renewals budget line?	3,000,000	3,000,000	3,000,000	9,000,000	9,000,000
WCC	Drinking Water	Renewal	WCC Pipe Network Reactive Renewals - Drinking Water	1,526,781	1,168	427,837	1,955,786	1,955,786
WCC	Drinking Water		Highland Park Reservoir	0	200,000	0	200,000	200,000
WCC	Stormwater	Renewal	WCC SW Pump Station Renewals	220,603	214,151	208,873	643,627	643,627
WCC	Stormwater	Renewal	WCC Pipe Network Reactive Renewals - Stormwater	2,271,594	2,391,301	2,541,752	7,204,647	7,204,647
WCC	Wastewater	Level of service	Moa Point / Western / Careys Gully Electrical and control upgrades	1,929,500	2,790,000	-2,210,000	2,509,500	1,009,500
WCC	Wastewater	Renewal	WCC WW Pump Station Renewals	596,520	316,106	189,196	1,101,821	1,101,821
WCC	Wastewater	Renewal	WCC Pipe Network Reactive Renewals - Wastewater	1,286,000	1,664,087	2,383,421	5,333,508	5,333,508
WCC	Wastewater	Renewal	Moa Point WWTP UV Renewal	-4,710,211	4,409,917	0	-300,294	-300,294
WCC	Wastewater	Renewal	Western WWTP UV Replacement	-574,906	1,588,555	0	1,013,649	1,013,649
			Total	6,978,811	18,088,768	8,818,321	33,885,900	38,774,355

Appendix B: LTP approved operating expenditure programme

WCC		24/25 Council	25/26 Council	26/27 Council	Triennium Council	10 Year Council
Drinking Water	Monitoring & Investigations	5,142,716	3,999,485	3,915,197	13,057,398	44,617,036
	Operations	299,584	299,584	299,584	898,752	3,009,840
	Planned Maintenance	3,580,213	3,590,924	3,593,675	10,764,812	36,024,514
	Reactive Maintenance	17,060,732	13,118,691	12,953,453	43,132,876	127,659,377
	Management & Advisory Services	1,969,635	1,969,635	1,969,635	5,908,905	19,696,350
Total Drinking Water		28,052,880	22,978,319	22,731,544	73,762,743	231,007,117
Stormwater	Monitoring & Investigations	958,347	1,022,880	1,043,880	3,025,107	10,174,267
	Operations	34,311	34,311	34,311	102,933	357,110
	Planned Maintenance	946,500	962,723	974,123	2,883,346	10,344,419
	Reactive Maintenance	1,500,000	1,400,000	1,278,663	4,178,663	13,129,304
	Management & Advisory Services	984,818	984,818	984,818	2,954,453	9,848,175
Total Stormwater		4,423,976	4,404,732	4,315,795	13,144,502	43,853,275
Wastewater	Monitoring & Investigations	2,630,935	2,740,935	2,705,935	8,077,805	26,184,030
	Operations	145,684	145,684	145,684	437,052	1,470,840
	Planned Maintenance	1,797,500	1,838,328	1,880,128	5,515,956	21,118,620
	Reactive Maintenance	3,700,000	3,587,976	3,355,000	10,642,976	34,107,976
	Treatment Plant	15,681,934	15,836,935	15,998,823	47,517,692	159,287,231
	Management & Advisory Services	3,610,998	3,610,998	3,610,998	10,832,993	36,109,975
Total Wastewater		27,567,051	27,760,856	27,696,568	83,024,474	278,278,672
Wastewater Joint Venture	Treatment Plant	5,554,900	5,554,900	5,554,900	16,664,700	55,549,000
Total Wastewater Joint Venture		5,554,900	5,554,900	5,554,900	16,664,700	55,549,000
Total		65,598,806	60,698,806	60,298,806	186,596,418	608,688,064