

**Advice to Greater Wellington Regional Council regarding finalised three waters capital and operating expenditure budgets for the FY2025/26 financial year and 3-year period**

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TO Julie Knauf, GM Corporate Services, Greater Wellington Regional Council;  
Alison Trustrum-Rainey, GM Finance and Risk, Greater Wellington Regional Council

COPIED TO Chris Maggs, Kaiwhakahaere Matua Head of Programme Management Office, Greater Wellington Regional Council; Emma Kelly, Acting Head of Service Planning, Wellington Water; Wayne Maxwell, Chief Corporate Services Officer, Wellington Water

FROM Julie Alexander, Chief Strategy and Planning Officer, Wellington Water

DATE 16 June 2025

**Action sought**

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<b>Action</b>	
Julie Knauf, GM Corporate Services, Greater Wellington Regional Council	<b>Note</b> the contents of this memo.  <b>Approve</b> FY2025/26 three waters capital and operating expenditure budgets.

**Contact for telephone discussion (if required)**

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<b>Name</b>	<b>Position</b>	<b>1st Contact</b>	
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## Purpose

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1. This paper provides Greater Wellington Regional Council (Council) with finalised three waters capital and operating expenditure budgets for the 2025/26 financial year.

## Background

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2. Wellington Water Limited (WWL) provided detailed annual planning advice to Council in February 2025 (WWL Stage2 advice memo), to support the annual planning process.
3. The WWL Stage 2 advice memo outlined key risks that Council should be aware of, including risks that are relevant to all councils, and those risks that are specific to Council's funding decisions. The risks identified in WWL Stage 2 advice memo continue to be relevant.
4. This advice has had key changes, which align with Council decisions on funding levels. Key changes are outlined in paragraph 12.
5. All capital budgets represented in this advice are un-inflated and do not account for any annual inflation related variations. The base budget dollars are in 2024/25 dollars.
6. The operating budgets in this advice are inflated using the inflation rates provided to WWL by Council.

### ***New approach to the tendering process to assist in ensuring value for money***

7. WWL is working at pace to achieve value for money and develop a baseline for water infrastructure work in the Wellington region. We are doing this by putting all work over \$100K (both capital and operating expenditure) out to the open market for competitive tendering until the end of the financial year, at which point we will reassess to determine what the best long-term approach is.
8. As we get better information through these tenders, we will be able to have an informed discussion with councils.

## Final FY2025/26 capital expenditure

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9. WWL has finalised the FY2025/26 Capex budgets to reflect final information received on cost estimates and recommended timings for projects.
10. WWL recommends that Council notes the Capex forecast for FY2024/25 of \$80.7M and the revised budget of \$68.3M for FY2025/26, including carryovers from FY2024/25 budget.
11. There is no increase in the capital expenditure for the 3-year period starting FY2024/25, ending FY2026/27. The FY2026/27 programme will be updated in the next annual planning process to ensure that the Capex programme continues to fit within the Council agreed LTP budget for the 3-year period starting FY2024/25, ending FY2026/27.
12. **Appendix A** provides a detailed breakdown of initiatives that make up Council's FY2024/25 and FY2025/26 capital programme.
13. The key changes from WWL's Stage 2 advice memo (also detailed in the appendix) include:
  - **Kaitoke Main on Silverstream Bridge** - noting this project was procured via competitive tender, the total project budget required in FY2024/25 and FY2025/26 has increased by \$4.2M since our Stage 2 advice. Overall, this amounts to a \$1.9M increase in total project costs from previously approved GWRC LTP budget, from \$98.7M, to \$100.6M.

The budget increase is due to contract variations to handle delays, extra allowance for Cathodic protection works, allowance for future risk and increases and outstanding project change requests to cover MSQA (Management, Surveillance, Quality, and Assurance) work.

*It is important to note that the increase in required budget does not impact the overall Capex budget envelope for FY2024-25 and FY2025-26 set by the Council in their LTP as reduction in budget in other projects (as listed below) has accommodated for the increased cost in this project.*

- **Rocky Point and Ngauranga Interconnection valve chambers pipe connections** - the total project budget has reduced from \$4.3M since stage 2 advice by \$1.2M, to \$3.1M.
  - **Waterloo WTP Wellington Pump Redundancy** The budget has reduced by \$4.3M in the triennium and \$6.6M over the LTP period to \$9.9M.
  - **Water Treatment Plant Renewals** - approximately \$1.5M budget in FY2024-25 has been reassigned from WTP Reactive renewals to WTP planned renewals, due to the nature of Water Treatment Planned Renewals undertaken (planned as opposed to reactive).
  - **Water Treatment Plants Switchboard and Server Fire Suppression** - funding of \$2M has been moved into FY2026-27 from FY2027-28 to mitigate associated risk of fire in treatment plant electrical systems.
  - **Te Marua WTP Capacity Optimisation** funding of \$1.6M has been moved into FY2026-27 from FY2027-28 as a result of project delivery re-phasing.
14. WWL will include detailed financial information of budget changes for each project, by year, as part of the change template that Council has asked WWL to provide with the final annual plan advice.

### Final FY2025/26 Operating Expenditure

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15. WWL has finalised the FY2025/26 Opex budgets to reflect final information received. WWL recommends that Council adopts the final Opex budget for FY2025/26 of \$32.12M.
16. **Appendix B** provides a breakdown of the categories of Council's agreed budget for operating expenditure for year 2 of the 2024-34 LTP.
17. This has not changed significantly from WWL's Stage 2 advice memo.

### Next steps

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

## Appendix A: Detailed 3 year period and LTP uninflated Capex programme

Water	LGA Classification	2024/25	2025/26
Drinking Water	Growth	29,416,345	13,874,399
	Level of Service	35,150,440	19,224,464
	Renewal	16,146,479	35,245,653
	Total – Final Annual Plan programme	<b>80,713,263</b>	<b>68,344,516</b>
	Council adopted LTP budget	104,401,566	46,964,944
	Difference (LTP vs Annual Plan)	<b>(23,688,303)</b>	21,379,575

LGA	Project Description	FY24-25 Programme	FY25-26 Programme
Growth	Managed Aquifer Recharge for Waterloo WTP - Pilot Plant	-	-
Growth	Plimmerton Bulk Water Pump Station	-	-
Growth	Plimmerton Bulk Water Supply	-	-
Growth	Regional Fluoride Dosing System Improvement	54,623	-
Growth	Te Marua WTP Capacity Optimisation	28,815,494	6,813,640
Growth	Te Marua WTP Scheme Expansion Stage 1 (Pakuratahi Lakes 1 and 2) - Pre-construction	546,228	7,060,759
Growth	UPG25 Belmont Booster Pump	-	-
Growth	Wainuiomata Bulk Water Supply Pipe Upgrades - Section 1	-	-
Level of service	[Package] GWRC Smart Services	325,669	329,175
Level of service	Big Huia and Little Huia intakes seismic strengthening	-	-
Level of service	Catchment Risk Assessment	-	-
Level of service	Dam Safety Management <i>(removed from programme)</i>	-	-
Level of service	GWRC Reservoir safety improvements	162,810	-
Level of service	Hutt/Waterloo WTP Seismic Resilience	-	-
Level of service	Installation of generator connection power supply plugs at pumping stations	192,291	110,823
Level of service	Kaitoke Flume Bridge	1,869,612	54,598
Level of service	Kaitoke main on Silverstream Bridge	29,522,253	7,650,049
Level of service	Kaitoke Road Bridges Seismic Strengthening	-	-
Level of service	Macaskill Lakes Dam safety	21,849	32,759
Level of service	Moera Aquifer Monitoring Wells	90,335	1,013,523
Level of service	Morton Dam Capex Maintenance	-	-
Level of service	New WTP <i>(removed from programme)</i>	-	-
Level of service	Ngauranga Reservoir Seismic Strengthening	-	-
Level of service	Orongorongo intake debris improvement	-	109,195
Level of service	Orongorongo Intake Repair-Weir Crest refurbishment	-	-
Level of service	Orongorongo tunnel - access, railway and rock bolting	-	545,976

LGA	Project Description	FY24-25 Programme	FY25-26 Programme
Level of service	Randwick Valve Chamber resilience improvement	-	-
Level of service	Real-time Stream Monitoring - Kaitoke Pilot Study	9,239	1,833
Level of service	Regional Fluoridation Improvement Stage 2	-	521,467
Level of service	Relocation of Te Marua/Ngauranga pipeline	-	-
Level of service	Resource Consent for Te Whanganui-a-Tara primary water takes (exp 2033-2036)	-	-
Level of Service	Rocky Point and Ngauranga Interconnection valve chambers pipe connections	535,034	2,489,992
Level of service	Smarter Bulk Water Lines Transient Loggers	-	-
Level of service	Smarter Critical Bulk Water Valves	-	-
Level of service	Takapu valley exposed pipeline protection	208,683	1,042,934
Level of service	Te Marua Pump Station Capacity Upgrade	546,228	1,321,261
Level of service	Te Marua WTP - Filter Performance upgrade	-	-
Level of service	Te Marua WTP - Macaskill RW Lakes	-	243,232
Level of service	Te Marua WTP Capacity Upgrades	-	-
Level of Service	Te Marua WTP Slope Stabilisation	-	-
Level of service	Tunnel Grove Valve Chamber - Installation of flexible restrained couplings	-	-
Level of service	VHCA - Kaitoke Weir Refurbishment	-	379,150
Level of service	Wainuiomata River Intake and Pipe Seismic Upgrades	-	-
Level of service	Wainuiomata to Wellington Pipeline Resilience Upgrades	-	-
Level of service	Wainuiomata WTP - Washplant Capacity & Quality Upgrade	-	-
Level of service	Wainuiomata/Wellington Pipeline Waiwhetu Stream	-	-
Level of service	Water Treatment Plant chemical storage risks/hazards	-	-
Level of service	Water Treatment Plants Switchboard and Server Fire Suppression	109,246	327,585
Level of Service	Waterloo - Fluoride room egress ( <i>removed from programme</i> )	-	-
Level of service	Waterloo WTP Pipework Reconfiguration	-	-
Level of service	Waterloo WTP Pump Hall Ventilation Upgrade (incl Lime Dust Mitigation)	863,040	1,222,986
Level of service	Waterloo WTP Sodium Hypochlorite storage and dosing	5,904	-
Level of Service	Waterloo WTP Ventilation System Upgrade (inc. Lime Dust and fluoride issues)	142,019	1,124,710
Level of service	Waterloo WTP Wellington Pump Redundancy	546,228	703,217
Level of service	Wellington Regional WTP Mechanical and Electrical Seismic Upgrade	-	-
Renewal	(CP) Section 03 - Cpt008 to Cpt012	526,022	384,891
Renewal	(CP) Section 06 - Porirua East High Level Reservoir to Transmission Gully	260,437	234,931
Renewal	(CP) Section 10 - Vlv46 Porirua Branch to CPT 018 - VJs	-	280,578
Renewal	(CP) Section 11 - CPT001 to vlv52-CPT021	-	280,578
Renewal	(CP) Section 12 - CPT003 to Ngauranga	-	280,578
Renewal	Bulk water Control System Planned Renewals	614,528	613,785
Renewal	Bulk Water Control Systems REACTIVE Renewals	65,133	65,835
Renewal	Bulk water flow meter REACTIVE renewals	952,663	943,827

LGA	Project Description	FY24-25 Programme	FY25-26 Programme
Renewal	Bulk Water Network Renewals - Valve Replacements	191,563	194,353
Renewal	Bulk Water Reactive Renewals	265,660	274,968
Renewal	Bulk Water REACTIVE Valve Renewals	389,351	428,089
Renewal	Bulk Water Strategic Planning Tools (5-yearly SYM update)	-	-
Renewal	Consent renewal - discharge to groundwater Waterloo and Gear Is	-	52,650
Renewal	Consent renewal - Te Marua supernatant discharge (exp 2030)	-	-
Renewal	Consent renewal - Te Mome Stream ground water discharge (exp 2033)	-	-
Renewal	Consent renewal - To discharge contaminants from a wheel wash facility to land where it will enter George Creek (exp. 2032)	-	-
Renewal	Gear Island and Waterloo Wells Replacements - Part 2	2,512,649	13,172,904
Renewal	Gear Island and Waterloo Wells Replacements - Part 3	-	-
Renewal	George Creek No2 Bridge Urgent Replacement	853,899	-
Renewal	GWRC Drinking Water Network Modelling	54,225	54,809
Renewal	GWRC Pipe Network Reactive Renewals - Drinking Water	1,024,214	2,550,884
Renewal	GWRC Reservoir Leakage remediation	12,168	13,592
Renewal	GWRC Water Pump Station REACTIVE Renewals	49,685	53,321
Renewal	GWRC WS Pump Station Renewals	177,832	527,513
Renewal	Haywards / Nguaranga Pump renewal	-	2,607,334
Renewal	Haywards Pump Station renewal ( <i>duplication - removed from programme</i> )	-	-
Renewal	Haywards Pumping Station flow meter replacement	-	5,098
Renewal	Hutt Aquifer Model Update	-	-
Renewal	Karori (Kelburn Pump Station)	-	104,293
Renewal	Kingsley Main Replacement	16,212	-
Renewal	Knights Rd Wellfield cathodic protection	-	-
Renewal	Korokoro pipe bridge replacement	131,422	-
Renewal	Moore Valley Road Pump Station Renewal (Wainui 2)	307,348	-
Renewal	Ngauranga Pump Station Renewal	-	156,440
Renewal	Ngauranga Pump station electrical and drive renewals	-	417,173
Renewal	OPE101306 - Wainuiomata Weir River Intake	-	-
Renewal	Pinehaven AC pipeline replacement	-	-
Renewal	Porirua Branch bulk main replacement	-	-
Renewal	PS WS ALL - Smart Pump Performance Monitoring	104,469	107,719
Renewal	Pump Station Renewal (Wanui 1)	-	521,467
Renewal	Te Marua WTP - Filter Performance media renewal ( <i>duplication - removed from programme</i> )	-	-
Renewal	Thorndon Pump Station Control Panel and electricals	-	208,587
Renewal	Utilities Pressure Control Valves Renewals	310,216	331,615
Renewal	VHCA - Johnsonville Pump Station Renewal	257,697	1,277,602
Renewal	VHCA - Kaiwharawhara Pump Station Renewal	208,683	-

LGA	Project Description	FY24-25 Programme	FY25-26 Programme
Renewal	GWRC VHCA Reservoir Water quality Renewals	971,034	1,182,199
Renewal	Wainuiomata Bulk Water PS	-	-
Renewal	Wainuiomata WTP Lime Silo Seismic Strengthening <i>(removed from programme)</i>	-	-
Renewal	Wellington Metro WTP Planned Renewals	5,110,381	5,101,766
Renewal	Wellington Metro WTP Reactive Renewals	575,724	2,112,131
Renewal	(CP) Section 08 – Haywards Stream	67,753	234,715
Renewal	(CP) Section 09 – Haywards Reservoir	67,753	234,715
Renewal	(CP) Section 17 – Te Marua - Haywards Crossing	67,753	234,715
Renewal	Wellington Trunk Main cathodic protection	-	-

Appendix B: Council inflated operating expenditure programme FY25/26

Water	Opex Activity	25/26 WWL Recommended Budget	25/26 Final Budget
Drinking Water	Monitoring & Investigations	6.05M	5.65M
	Operations	1.50M	1.50M
	Planned Maintenance	3.19M	3.17M
	Reactive Maintenance	0.72M	0.88M
	Treatment Plant	10.88M	11.12M
	Management & Advisory Services	9.79M	9.79M
Total Drinking Water		32.13M	32.12M
	SLAs - included in above totals	0.48M	0.48M
Total		32.13M	32.12M