**Full Council**

**12 November 2026**

**Report for Agenda Item| Rīpoata moto e Rāraki take [13]**

**Department: Property & Infrastructure**

**Title | Taitara: Gordon Road Wastewater Pump Station Upgrade – Budget Increase**

## Purpose of the Report | Te Take mō te Pūroko

The purpose of this report is to seek Council's approval to increase the Gordon Road Wastewater Pump Station Upgrade budget by $725,000, funded by a transfer from the Southwest Wānaka Conveyance Scheme budget. Approval is sought ahead of the December 2026 capital reforecast to enable the construction contract to be awarded in November 2026.

## Recommendation | Kā Tūtohuka

That the Council:

1. **Note** the contents of this report;

2. **Approve** an increase of $725,000 in the Gordon Road Wastewater Pump Station Upgrade project budget, comprising $375,000 in FY26/27 and $350,000 in FY27/28, increasing the total approved project budget from $2,278,744 to $3,003,744;

3. **Approve** the transfer of $725,000 from the Southwest Wānaka Wastewater Conveyance Scheme's FY27/28 budget to the Gordon Road Wastewater Pump Station Upgrade, allocated as follows: (i) $375,000 in FY26/27, brought forward from FY27/28, and (ii) $350,000 in FY27/28; and

4. **Note** the Southwest Wanaka Wastewater Conveyance Scheme budget will reduce by $725,000 in FY27/28, resulting in a revised FY27/28 budget of $9,373,303 and a revised total budget of $22,894,048.

**Prepared by:**



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**Title:** Investment & Support Services Manager
Property & Infrastructure
22 October 2026

**Reviewed and Authorised by:**



**Name:** Tony Avery
**Title:** General Manager Property & Infrastructure
22 October 2026

## Context | Horopaki

**Background**

1. The Gordon Road Wastewater Pump Station Upgrade ("the project") is provided for in the Long-Term Plan 2024–34 (LTP), but the current approved budget of $2,278,744 is insufficient to deliver the proposed works. This report seeks an additional $725,000, funded by a proposed transfer from the Southwest Wānaka Conveyance Scheme (SWWCS) budget, to enable the construction contract to be awarded in November 2026.

2. The current Gordon Road Wastewater Pump Station services the West Meadows and upper Stone Street catchments and commercial and industrial properties on Gordon Road. Investigations and network modelling have identified insufficient capacity to accommodate consented and forecast growth, increasing the risk of wastewater overflows as demand grows. Ageing components, insufficient emergency storage, and the absence of a permanent standby generator also present renewal and resilience challenges.

3. The project includes a new pump station, refurbishment of the existing wet well, two rising mains, a permanent standby generator and associated control, odour management, and civil works. The station will initially operate at up to 46 L/s until the downstream Ballantyne Road network is upgraded, enabling a maximum flow of 96 L/s. The works are within the existing easement and Gordon Road corridor. Attachment A provides a site layout plan showing the location and arrangement of the proposed works.

4. The proposed design includes two rising mains; a single main is expected to provide sufficient capacity until approximately 2033, after which a second would be required due to increased demand. Installing both together avoids the additional cost and disruption of a second construction period in the same corridor.

**Gordon Road Wastewater Pump Station Upgrade**

5. Detailed design is complete and tenders closed on 5 October 2026. The preferred tenderer and tender price are expected to be confirmed by late October 2026. Contract award is programmed for November 2026, subject to Council approving the additional budget.

6. Based on the completed detailed-design estimate, a revised total project budget of $3,003,744 is proposed. This includes approximately $225,000 spent to date, contingency, consultant fees, and all other project costs. The revised budget represents an increase of $725,000 above the approved budget of $2,278,744.

7. The principal drivers of the cost increase are the estimated cost of installing both rising mains as part of the current works, scope refinement through detailed design, and market cost escalation since the LTP budget was established.

8. The proposed $725,000 transfer from the SWWCS FY27/28 budget would fund the project as follows: (a) $375,000 in FY26/27, brought forward from FY27/28, and (b) $350,000 in FY27/28. The overall Wānaka wastewater programme budget would remain unchanged, but its FY26/27 allocation would increase by $375,000 and its FY27/28 allocation would decrease by the same amount.

9. The project will address the immediate demand pressures that the SWWCS was originally intended to address, allowing those elements of the wider scheme to be deferred. It may also offer opportunities to support the staged delivery of the wider scheme as network planning evolves.

10. The new wet well has an estimated manufacture and delivery lead time of 20 weeks and cannot be ordered until the construction contract is executed. Delivery of the wet well is on the project's critical path to commissioning. Delaying contract award would therefore delay completion and increase exposure to winter working conditions and the associated cost risks with these conditions.

11. The budget increase would normally be considered through the capital reforecast, which is scheduled for December 2026.

## Analysis and Advice | Tatāritaka me kā Tohutohu

12. This report identifies and assesses the following reasonably practicable options for addressing the matter as required by section 77 of the Local Government Act 2002. Options 1 and 2 consider the timing of budget approval. Option 3 considers deferring approval while further scope and cost review is undertaken.

13. Option 1: Approve the budget increase and transfer now **(recommended)**

    This option would increase the project budget by $725,000, funded by a corresponding transfer from the SWWCS budget, comprising $375,000 in FY26/27 and $350,000 in FY27/28. The revised budget would fund the proposed upgrade, including installation of both rising mains.

    Approving the budget increase and transfer in November 2026 would enable contract award and ordering of the wet well without waiting for the December capital reforecast.

    *Advantages*

    - Enables the planned capacity, renewal, and resilience improvements to be delivered without the delay associated with waiting for December budget approval.

    - Maintains the planned procurement and construction programme, reducing exposure to winter working conditions and delay-related costs.

*Disadvantages*

- Commits $725,000 from the SWWCS budget before Council considers the wider capital programme adjustments in the December reforecast.

14. Option 2: Defer budget approval until December

This option would defer consideration of the proposed budget increase and transfer until the December 2026 capital reforecast.

*Advantages*

- Allows Council to consider the proposed transfer alongside other capital programme adjustments, with a fuller view of competing budget requirements.

*Disadvantages*

- Delays contract award and wet well ordering until after December approval, postponing completion and the planned capacity, renewal, and resilience improvements.

- Increases exposure to winter working conditions and associated delivery costs.

15. Option 3: Defer approval and review scope and cost

Under this option, Council would not approve the proposed $725,000 budget increase and transfer at this time. Council officers would be directed to review opportunities to reduce the cost of the upgrade, including scope and staging, and report back to Council with a revised proposal.

This would reopen elements of the scope already designed and tendered, delaying contract award and delivery. The resulting budget requirement is not known, and any potential savings would need to be weighed against further design and procurement costs and the consequences of delay.

*Advantages*

- Provides a further opportunity to identify cost savings before Council commits additional funding.

- Allows Council to reconsider the balance between immediate investment and future expenditure, including the timing of the second rising main.

*Disadvantages*

- Delays delivery of the planned capacity, renewal, and resilience improvements while further work is undertaken.

- Requires additional review and potentially revised design and procurement work, with no assurance of material net savings.

- Increases exposure to winter working conditions and cost escalation.

16. This report recommends **Option 1.** Approving the additional budget now would allow the designed and tendered upgrade to proceed, addressing the identified capacity, renewal, and resilience needs. Option 2 would delay contract award until after the December reforecast. Option 3 would cause a longer delay while scope and cost are reviewed and a revised proposal is brought back to Council, with no assurance of net savings. Proceeding now is therefore preferred to delaying delivery and increasing exposure to winter working conditions and associated costs.

## Consultation Process | Hātepe Matapaki

### Significance and Engagement | Te Whakamahi I kā Whakaaro Hiraka

17. This matter is assessed as being of low significance under Queenstown Lakes District Council's (QLDC) Significance and Engagement Policy 2024. The project is provided for in the Long Term Plan 2024-34, and the proposed budget increase does not change the service outcomes planned for the upgrade. The proposed budget transfer reallocates existing funding within the Wānaka wastewater programme, without increasing the programme's overall capital budget.

### Māori Consultation | Iwi Rūnaka

18. The proposed upgrade is consistent with the Long Term Plan 2024–34. No specific engagement with mana whenua is proposed in relation to the recommendations in this report, which concern funding rather than a change to the proposed upgrade scope.

## Risk and Mitigations | Kā Raru Tūpono me kā Whakamaurutaka

19. This matter relates to three risk categories in the QLDC Risk Register. Approval of the recommended option (Option 1) responds to each as follows.

*Table 1: Relationship of the project to the QLDC Risk Register and associated mitigations*

| Risk register alignment | Mitigations provided by the recommended option |
|---|---|
| **Category:** Regulatory/Legal/Compliance<br>**ID:** RISK10021 Ineffective operations and maintenance of property or infrastructure assets<br>**Residual risk rating:** Moderate | Enables delivery of the pump station upgrade, addressing ageing components, insufficient emergency storage, and the absence of a permanent standby generator - reducing wastewater overflow risk. |
| **Category:** Strategic/Political/Reputational<br>**ID:** 10056 Ineffective provision for the future planning and development needs of the district<br>**Residual risk rating:** Moderate | Provides additional capacity for consented and forecast growth, with both rising mains installed for future demand. |

| Risk register alignment | Mitigations provided by the recommended option |
|---|---|
| **Category:** Financial<br>**ID:** RISK10013 Unexpected change in cost or funding<br>**Residual risk rating:** High | Enables contract award without waiting for December, reducing exposure to delay-related costs. Installing both mains together avoids a second construction period. The proposed budget includes contingency to manage unforeseen project costs. |

## Financial Implications | Kā Riteka ā-Pūtea

20. Table 2 summarises the proposed budget increase, bring-forward, and transfer. The annual allocations reflect the project's latest delivery forecasts.

*Table 2: Proposed project budget and funding transfer (FY26/27 $)*

| Project | Budget position | FY26 | FY27 | FY28 | FY26-28 Total |
|---|---|---|---|---|---|
| CP0008319 Gordon Road Pump Station Upgrade (WW) | Existing budget | 217,917 | 2,060,827 | - | 2,278,744 |
| | Proposed transfer | - | 375,000 | 350,000 | 725,000 |
| | **Proposed revised budget** | **217,917** | **2,435,827** | **350,000** | **3,003,744** |
| CP0004175 Southwest Wanaka Conveyance Scheme (WW) | Existing budget | 2,940 | - | 10,098,303 | 10,101,243 |
| | Proposed bring forward | - | 375,000 | (375,000) | - |
| | Proposed transfer | - | (375,000) | (350,000) | (725,000) |
| | **Proposed revised budget** | 2,940 | - | 9,373,303 | 9,376,243 |

21. No material rates impact is anticipated in FY26/27, as capital programme deferrals and reductions expected through the December 2026 reforecast are forecast to offset the $375,000 increase in that year.

Relationship to the Draft Water Services Strategy 2027-2057

22. From 1 July 2027, Alpine Waters will be the district's water services provider. Investment from that point forward will be determined through the 2027-2057 Water Services Strategy instead of QLDC's Long Term Plan. As part of developing the Water Services Strategy, planned investment in the Wanaka wastewater network is being reviewed. Council's decision on this project will be reflected in the draft Strategy. Based on the current review, the reduced SWWCS budget is expected to be sufficient for the corresponding investment identified within the first ten years of the Strategy.

## Council Effects and Views | Kā Whakaaweawe me kā Tirohaka a te Kaunihera

23. The following Council policies, strategies, and bylaws were considered, and the recommendations are consistent with the principles set out in these plans and frameworks:

- **QLDC's Strategic Framework:** Supports infrastructure provision for growth;
- **30 Year Infrastructure Strategy:** Addresses wastewater capacity, renewal, and resilience needs;
- **Three Waters Services Asset and Activity Management Plan 2024-2034:** Delivers the planned pump station upgrade;
- **Climate and Biodiversity Plan 2025-28:** Installing both rising mains together avoids repeat excavation and construction in the same corridor;
- **Long-Term Plan 2024-34:** Reallocates existing funding within the Wānaka wastewater programme to deliver the upgrade; and
- **Queenstown Lakes Spatial Plan and Queenstown Lakes District Plan:** Supports wastewater servicing for consented and forecast development in the catchment.

## Local Government Act 2002 Purpose Provisions | Te Whakatureture 2002 o te Kāwanataka ā-Kīaka

24. Section 10 of the Local Government Act 2002 states the purpose of local government is (a) to enable democratic local decision-making and action by, and on behalf of, communities; (b) to meet the current and future needs of communities for good-quality, cost-effective, and local - (i) infrastructure; (ii) public services; (iii) performance of regulatory functions; and (c) to support local economic growth and development by fulfilling the purpose set out in paragraph (b)

24. The recommended budget increase and transfer would enable delivery of a planned wastewater upgrade addressing capacity, renewal, and resilience needs in the Gordon Road catchment. This supports the community's social, economic, and environmental wellbeing and is consistent with the purpose of local government under section 10 of the Act.

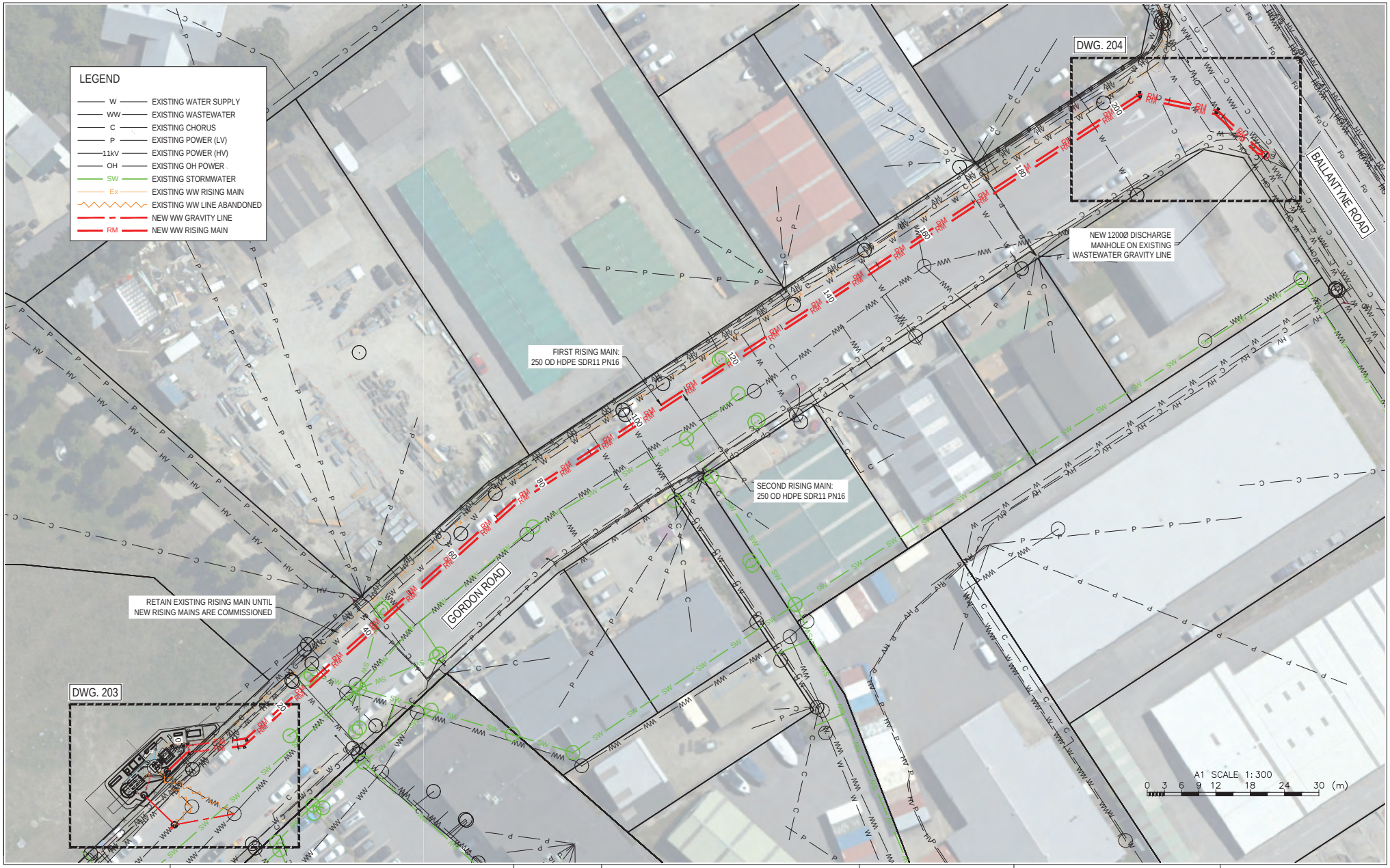
25. The recommended option:

- Can be implemented through current funding under the Long Term Plan, subject to Council approving the proposed transfer from the SWWCS project;
- Is consistent with the Council's plans and policies; and
- Would not significantly alter the intended level of service provision for any significant activity undertaken by or on behalf of the Council or transfer the ownership or control of a strategic asset to or from the Council.

## Attachments | Kā Tāpirihaka

| | |
|---|---|
| A | Gordon Road Wastewater Pump Station Upgrade – Site Layout Plan |

# Attachment A: Gordon Road Wastewater Pump Station Upgrade – Site Layout Plan




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PROJECT TITLE :
GORDON ROAD WASTEWATER PUMP STATION
DESIGN SERVICES

GORDON ROAD, WANAKA

QUEENSTOWN LAKES DISTRICT COUNCIL

PROJECT NORTH

DRAWING REVISIONS

| REV | DESCRIPTION | DATE | DRN BY | DES CHK | APP |
|---|---|---|---|---|---|
| 1 | PRELIMINARY | 14.01.26 | MP | DL | SK |
| 2 | DETAILED DESIGN DRAFT | 22.05.26 | MP | DL | SK |
| 3 | UPDATED ANNOTATIONS | 17.06.26 | MP | DL | SK |
| A | FOR TENDER | 31.07.26 | MP | DL | SK |

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| DESIGNED | 11.25 | MP |
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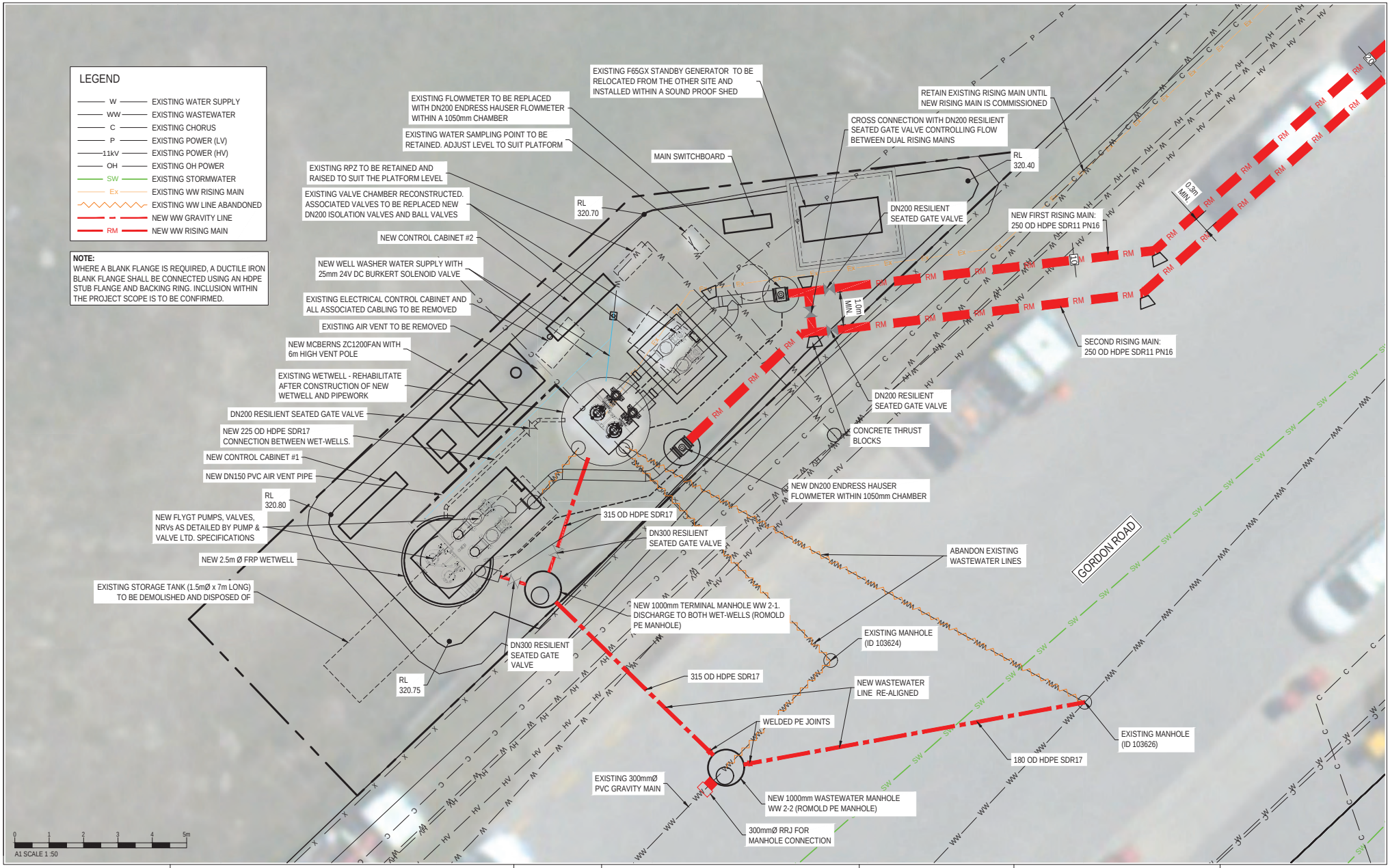
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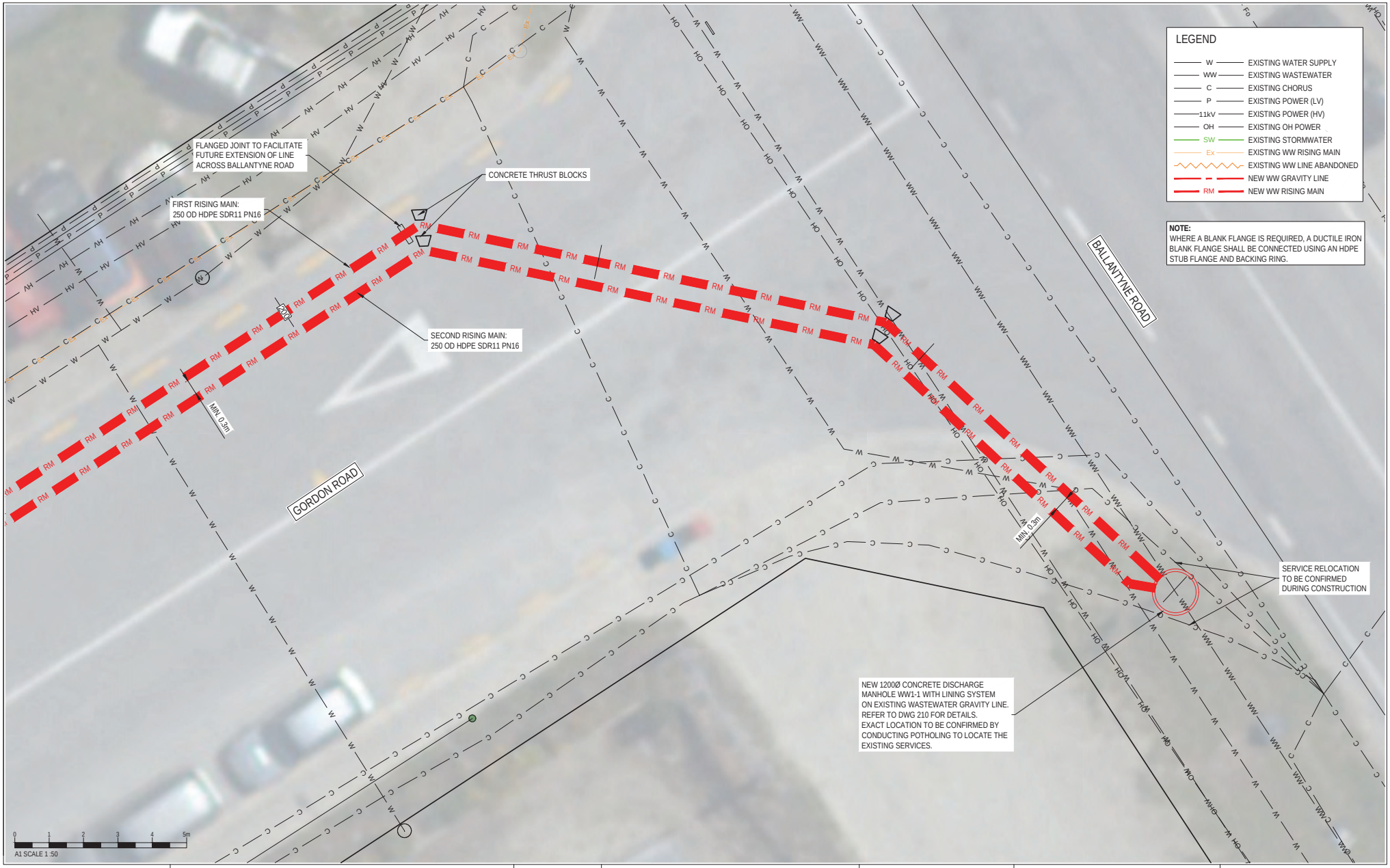
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