

# Quarterly monitoring report - water services delivery plan

## Water Services CCO

### Queenstown Lakes District Council

Reporting period: January to March 2026

Submitted: 29 April 2026

# Council plans establishing a water organisation

## Part A: Progress updates

Quarterly reporting period: 1 January to 31 March 2026

Milestone / deliverable	Expected completion date	On track to meet timeframe? (Yes/No)	Issues, risks mitigations (if any) and Commentary
Initial Planning and Programme Establishment	3 months (1 Aug 2025 – 30 Oct 2025)	Complete	<ul style="list-style-type: none"> <li>• Programme Director appointed February 2026</li> <li>• Governance framework defined and operational</li> <li>• Workstream scope areas defined, key programme roles appointed</li> <li>• Programme Budget developed and approved</li> <li>• Water Services Systems &amp; Processes stocktake completed</li> </ul>
Governance and Incorporation	4 months (1 Nov 2025 – 28 Feb 2026)	No	<ul style="list-style-type: none"> <li>• Chair of the Board selected – (ratified by Council on 7 May 2026).</li> <li>• Recruitment for remaining directors underway (to be ratified by Council 25/6/2026)</li> <li>• Key decisions required to finalise the company constitution have been agreed</li> <li>• Revised WSCCO Programme Milestone dates are as follows:               <ul style="list-style-type: none"> <li>○ Council adoption of WSCCO Constitution - 30 June 2026</li> <li>○ WSCCO Incorporation - 30 June 2026</li> </ul> </li> </ul>
WSCCO Establishment	11 months (1 Mar 2026 – 31 Jan 2027)	Yes	<ul style="list-style-type: none"> <li>• Detailed Workstream Planning and rapid execution underway</li> <li>• Key delivery risks defined below; mitigation plans are being formed.               <ul style="list-style-type: none"> <li>○ Risk - Staff resilience, work overload, change fatigue</li> <li>○ Risk – Completing detailed planning to demonstrate programme scope can be delivered while managing programme delivery and operational risks.</li> </ul> </li> </ul>

Milestone / deliverable	Expected completion date	On track to meet timeframe? (Yes/No)	Issues, risks mitigations (if any) and Commentary
			<ul style="list-style-type: none"> <li>○ Risk – Access to key roles without impacting operational responsibilities</li> <li>○ Risk – Aligning WSCCO Establishment Programme with QLDC of the Future Programme (post WSCCO establishment).</li> <li>○ Risk – Delivering within approved first cut budget of \$8M</li> </ul>
Operational Readiness and Transition	6 months (1 Feb 2027 – 30 Jun 2027)	Yes	<ul style="list-style-type: none"> <li>○ Risk – WSCCO Establishment detailed scoping and planning outcomes may require this milestone to commence from 1 April 2027.</li> </ul>
Go Live: 1 Jul 2027.		Yes	<ul style="list-style-type: none"> <li>● WSCCO Establishment and Operational Readiness risks noted above.</li> </ul>

**Expected activity in next quarter: 1 April to 30 June 2026**

Milestone / deliverable	Expected activity
Governance and Incorporation	<ul style="list-style-type: none"> <li>• Complete Board appointments and induction</li> <li>• Finalise Company Constitution</li> <li>• Prepare for Company Incorporation</li> <li>• Commence work on draft Statement of Expectations</li> <li>• Transition Governance &amp; Support Agreement drafted</li> </ul>
WSSCO Establishment	<ul style="list-style-type: none"> <li>• Complete workstream planning and onboard remaining programme resources</li> <li>• Develop WSSCO Operating Model and supporting systems architecture</li> <li>• Submit QLDC Reports to satisfy Commerce Commission Information Disclosure and Community Access to Drinking Water Report to the Water Services Authority</li> </ul>
Operational Readiness and Transition	<ul style="list-style-type: none"> <li>• Complete programme and workstream planning for Operational Readiness and Transition activities</li> </ul>
Go Live: 1 July 2027.	<ul style="list-style-type: none"> <li>• Complete programme and workstream planning for Go Live and Post Go Live activities</li> </ul>

## Part B: Additional monitoring information – items noted in letters of acceptance

Items noted in letters of acceptance	Progress update
The water services council-controlled organisation’s pricing strategy, including to ensure that growth pays for growth;	<ul style="list-style-type: none"> <li>The WSCCO revenue and pricing strategy, alongside LGFA covenant negotiations are planned to be developed by September 2026.</li> </ul>
The borrowing requirements and headroom;	<ul style="list-style-type: none"> <li>The WSCCO revenue and pricing strategy, alongside LGFA covenant negotiations are planned to be developed by September 2026.</li> </ul>
Delivery of the capital programme	<ul style="list-style-type: none"> <li><b>FY25/26 capital programme forecast: \$94.1m</b> (81% of WSDP), up <b>47.3%</b> on FY24/25 (\$63.9m).</li> <li><b>FY25/26 capital programme variance vs WSDP primary drivers:</b> <ul style="list-style-type: none"> <li>Two large wastewater projects delayed by land/consenting issues (Kingston WWTP, North Wānaka conveyance) – now nearing resolution, with construction expected in FY27.</li> <li>Shotover WWTP Stage 3 delivered under budget.</li> <li>CBD–Frankton conveyance tendered significantly below budget</li> <li>Combined impact of these four major projects: \$29.8m underspend vs FY26 WSDP forecast</li> </ul> </li> <li><b>10-year programme: \$1.45bn</b> (98% of QLDC WSDP forecast).</li> <li><b>Overall programme variance (10-year): ~\$25m reduction</b>, largely due to <b>competitive tender pricing</b> and original budgets set conservatively (P95–P99 risk allowances).</li> </ul>

<p>Delivery of the projects required to achieve regulatory compliance.</p>	<p>Projects in place to achieve QLDC Regulatory Compliance, and the status of each project is as follows:</p> <ul style="list-style-type: none"> <li>• <b>Hawea Wastewater Treatment Plant</b> - <i>Abatement Notice in place. – Upper Clutha Conveyance Scheme Project to allow for Hawea WWTP Decommission – Construction in Progress.</i></li> <li>• <b>Stormwater Discharge to Clutha River at Northlake</b> <i>Abatement Notice in Place – Design in Progress to inform Resource Consent Application.</i></li> <li>• <b>Stormwater Discharge to Bullock Creek at Alpha Series</b> - <i>Abatement Notice in Place – Design Complete. Works Planned to Complete mid-2026.</i></li> <li>• <b>Shotover Wastewater Disposal Field</b> - <i>Enforcement order in place. Plant operating under emergency discharge direct to Shotover River. Council decision made to secure Resource Consent for Land Flow Path to Kawerau River. Consent preparation underway. Note: This project is a Major Decision and requires feedback from the WSCCO Board prior to incorporation.</i></li> <li>• <b>Stormwater Shotover Discharge</b> - <i>Significant Non-Compliance – Project Scoping to complete May 2026.</i></li> <li>• <b>Lake Hayes Water Supply</b> - <i>Abstraction limits breached for several weeks during peak summer demand. Corresponding LTP24 budget: Demand Management – Lake Hayes - Business Case in progress.</i></li> <li>• <b>Wanaka Wastewater Treatment Plant</b> - <i>Abatement Notice issued Nov 2025. WWTP Upgrade Project Completed. Effluent quality within consent limits. Rolling average expected to be compliant by Oct 2026.</i></li> <li>• <b>Wanaka Wastewater Disposal Field</b> - <i>Abatement Notice issued Nov 2025. Project Scoping in Progress.</i></li> <li>• <b>Note:</b> Instances of technical / administrative non-compliance, which do not require a project to address, are excluded from this list.</li> </ul>
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