Quarterly monitoring report - water services delivery plan

In-House Business Unit

Invercargill City Council

Reporting for the period – 1 April to 30 June 2026

Submitted – 31 July 2026

Part A: Progress updates

Quarterly reporting period: 1 April to 30 June 2026

Activity / milestone / deliverable	Expected completion date	On track to meet timeframe? (Yes/No)	Issues, risks and mitigations (if any)
Appoint General Manager Water Services.	31 December 2025	Completed	
Develop the Water Services establishment team (including but not limited to financial, regulatory and people advisory).	31 December 2025	Completed	
Develop Organisational Transition Plan.	30 June 2026	Completed	
Develop and transition to Internal Water Service Business Unit Structure (including staff transition).	~~30 June 2026~~ 30 Sept. 2026	Yes (for revised completion date)	**No material risks or issues to highlight.** **Resolved Issue** Dependency on implementation of a new ICC Payroll System and work required to implement the revised wider organisation structure required delivery milestone date to be extended. **Mitigation adopted** To avoid rework and manage workload, staff transition date reset for Quarter 3 2026 (target September 2026).
Establish Water Services Financial system within ICC Financial Group to treat the WSE in the same manner as our existing Council Controlled Organisations (CCO's).	30 June 2026	Completed	**Note:** As noted in previous monitoring report, ICC has adopted a revised approach to retain the WSBU within the existing ICC Finance System (rather than setup a separate entity per other ICC CCO's). Financial ringfencing requirements will be achieved through this approach. A future option remains to adopt a separate WSBU financial entity within the ICC finance system, once supporting system Land and Rating modules are implemented.
Develop and Implement Water Services governance framework.	30 June 2027	Yes	**No material risks or issues to highlight**
Water Services financial ringfencing system and process changes implemented.	30 June 2027	Yes	**No material risks or issues to highlight.**

Contracts for Support Services with Council and other entities in place.	30 June 2027	Yes	**No material risks or issues to highlight.**
Implement new Stormwater Rate approach to transition from current part general rate funding.	30 June 2027	Yes	**No material risks or issues to highlight.**
Development of Water Services Strategy (WSS) (3-year refresh cycle) independent of the ICC Long-term Plan.	30 June 2027	Yes	**Issue** – ICC does not have sufficient in-house asset management resources to develop the Water Service Strategy, Strategic and Asset Management Plans to the required standard and in the time available. **Mitigation** External supplier appointed to augment ICC resources. Scope defined and progressing to plan.
Water Services Investment Update	N/a	N/a	For the 2026/2027 financial year, the Water Services capital programme has lowered from $37 million to $31 million in total for Water, Sewerage and stormwater services. The movement relates to the Mersey Street pipeline duplication project which was rephased to align with revised planned timeline. The capital programme will continue to be reviewed as part of the Water Services planning process.

Expected activity in next quarter: July to September 2026

Milestone / deliverable	Expected activity
Develop and transition to Internal Water Service Business Unit Structure (including staff transition).	• Service Delivery Realignment Proposal consultation concludes, feedback considered and outcomes communicated. • Finalise and implement new structure by Q3 2026.
Develop and Implement Water Services governance framework.	• Continue to support Water Service Committee Governance requirements, in particular, delivery of Water Service Strategy (WSS) and supporting Strategic Asset Management Plan (SAMP) strategic objectives, Trade Waste Plan Development and Water Service Bylaw Reviews.
Water Services financial ringfencing system and process changes implemented.	• Post go-live support for financial ringfencing system and process changes (implemented 30 June 2026).
Contracts for Support Services with Council and other entities in place.	• Finalise service agreements across ICC to support implementation of financial ring-fencing changes.
Implement new Stormwater Rate approach to transition from current part general rate funding.	• Finalise content and conduct Council Long Term Plan and Water Service Strategy workshops.

Development of Water Services Strategy (WSS) (3-year refresh cycle) independent of the ICC Long-term Plan.	• Progress Water Service Strategy, Strategic Asset Management Plan and Asset Management Plan drafting. • Conduct Water Committee Water Service Strategy, Strategic Asset Management Plan workshops • Finalise Commerce Commission ID requirements prioritised gap delivery plan.

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

Items noted in letters of acceptance	Progress update
N/a - No items noted in the ICC letter of acceptance	***N/a - No items noted in the ICC letter of acceptance***