Quarterly monitoring report - water services delivery plan

In-House Business Unit

Whakatāne District Council

Submission Date: 31st July 2026

Reporting Period: Apr 2026 – Jun 2026

Council plans that are retaining water service delivery (In-house Business Unit)

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)
Develop and design new ERP system to enable separate financial reporting for water entities. This includes new GL structure and inter-entity accounting. • New ERP system being designed, key user training in progress.	30/06/26	Yes	Completed
Developing ring-fencing requirements including start of variable reporting • Ring fencing is reliant on new ERP being implemented and providing financial separation.	30/06/26	Yes	Completed
Water asset revaluations preparation	30/06/26	Yes	Completed

• All water assets are currently being revalued by external service provider (every three years)			
Finance, Performance and Risk Committee – Waters Transition to IBU Update	07/05/26	Yes	Report progress on the IBU transition to each quarterly Finance, Performance and Risk Committee meeting
Started Water Services Strategy Draft	30/02/27	Yes	Underway, ref comment below regarding activities planned for next quarter.
Started Review of Asset Management Plans	01/02/27	Yes	Underway alongside Water Services Strategy
Submit Commerce Commission Information Disclosure	01/08/26	Yes	Information disclosures as at 30 June 2026, due 01 August 2026 submitted No further ID required in the short-term
Submit Drinking Water Assessment	01/07/27	Yes	Extension to 24 July
Trade Waste Discharge Plan	27/08/27	Yes	WDC acknowledges the requirement to develop the plan. WDC has included the deliverable in our programme and is currently developing a resource plan in order to finalise a draft for inclusion with the WDC LTP consultation material.
Three Waters Rating Review	01/07/27	Yes	Commencement of three waters rating review and review of Revenue and Financing policy in conjunction with the Long-term plan 2027-37

Expected activity in next quarter

Milestone / deliverable	Expected activity
Draft WSS	This work has been scoped up and is underway to be completed in time to align consultation with the WDC LTP consultation early 2027. We would welcome a conversation with DIA regarding the WSS treatement of the schedulled one year duration of the IBU from 1st July 2027 which, depending on the CCO decision in December-26, may continue as the current WSDPD, but may not. We would like to dicuss how a change to the plan would affect the final WSS.
New ERP system continued development	ERP system live from July 2026. Further development and testing of new inter-entity accounting processes to meet financial reporting requirements for 1 July 2027.
Reporting comparatives	As above
Water Assets revaluations	Asset revaluations continued and prepared for review
Three waters rating review	Commencement of three waters rating review and Revenue and Financing Policy aligned to the LTP 2027-37
CCO Investigation	September decision on preferred model, and potential consultation process. Final decision in December 2026.

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

Items noted in letters of acceptance	Progress update
Delivery of capital projects programme	The final-year budgets for the LTP Capital Work Programme (2026/27) have now been set. This includes budget carry forwards and some deferral of funding into the 2027/28 financial year to ensure the programme remains achievable. Where there was a risk that projects could not be fully delivered within the 2026/27 financial year, typically due to insufficient contingency being built into project delivery schedules, a portion of the budget has been deferred to 2027/28. This provides a more realistic funding profile that better aligns with expected project delivery.
Compliance with drinking water regulations	**See attached - 2026-07_Whakatane DC_Statement on Drinking Water Quality Performance Apr-Jun 2026_Final_v1**
Charging mechanisms to meet growth demands	Not yet developed, part of rating review
The billing and charging arrangements in relation to the proposed future delivery model	In progress with development of new ERP finance reporting system

Compliance with ring-fencing and separated reporting requirements	progress with development of new ERP finance reporting system
Clause on the CCO investigation	The CCO investication as committed in the WSDP is continuing to plan with partners Rotorua, Opotiki and Kawerau. A Waters Working Group (WWG) established between the partners (mayor plus two elected members from each Council) meets monthly (8 meetings since December-25) to guide the development of the business case. The Business case has been completed and is currently being edited and finalised for the 17th August WWG meeting, at which a recommendation for the preferred delivery model will be sought. This recommendation will go to each of the respective Councils for consideration in September. If a CCO is the preferred delivery model between the four Councils, public consultation will occur in October/November and a final decision on a go/no go for a CCO in December. The December decision is critical to time in order for clarity around waters in or out of the LTP financial preparatory work.

Attachments

1. 2026-07_Whakatane DC_Statement on Drinking Water Quality Performance Apr-Jun 2026_Final_v1