



SUPPLEMENTARY AGENDA

**Attachment 6 – LWDW Project Budgets Transition
Costs and Workstream Deliverables**

**Extraordinary Council meeting
Friday, 15 August 2025**

Date: Friday, 15 August 2025

Time: 8:00 AM

**Location: Tauranga City Council Chambers
L1, 90 Devonport Road
Tauranga**

Please note that this meeting will be livestreamed and the recording will be publicly available on Tauranga City Council's website: www.tauranga.govt.nz.

**Marty Grenfell
Chief Executive**

Order of Business

8	Business.....	4
8.2	Attachment 6 - LWDW Project Budgets Transition Costs and Workstream Deliverables	4

8 BUSINESS

8.2 Attachment 6 - LWDW Project Budgets Transition Costs and Workstream Deliverables

ATTACHMENTS

1. **Attachment 6 - LWDW Project Budgets Transition Costs and Workstream Deliverables**
- A18651730 [↓](#) 

Attachment Six: Local Water Done Well , Transition Costs, Project Budgets and Workstream Deliverables

Dated: 12 August 2025

Transition Costs

To understand the transition costs for business change, the below table has been populated with TCC transition cost estimation together with information sourced from other councils. The numbers are all budgets and have been sourced from contacts within the industry.

Council / Connection No.s	WSP Structure	Transition cost budget
Tauranga City Council Number of connections: 101,000	Multi – WO (3 Councils)	\$6,1 million Not including digital
Hamilton City Council / Waikato Number of connections: 81,000	Multi – WO (2 Councils) Accepted WSDP	\$ 7.35 million Not including digital
Waikato Water Number of Connections: 49,000	Multi – WO (6 councils) Pending acceptance of WSDP	\$16.5 million
Napier, Hastings, Central Hawkes Bay Number of Connections: 55,000	Multi – WO Pending acceptance of WSDP	\$7.8 million
Palmerston North, Horowhenua and Rangitikei Number of Connections: 52,000	Multi - WO Pending acceptance of WSDP	\$4.25 million Not including digital
Marlborough Number of connections: 17,000	Single WO Accepted plan	\$5 million Not including digital

TCC Budgets (Debt Funded OPEX – to stay with Waters)

Below is a table that confirms TCC budgets for 2025/26 and 2026/27 Financial years. These were developed in 2024, and were based on our experience with the previous Governments 3 Water Reforms (3WR) programme, alongside what we knew of the Local Water Done Well policy. The 3WR programme provided information on the type of workstreams a transition programme would require, the deliverables required, and the complexity and expertise necessary to complete transition processes.

Digital Project CC3000070		Water CCO Establishment CC3000080 Water CCO Est	
FY 25/26	FY 26/27	FY25/26	FY 26/27
\$1.5 mill Vendor costs		\$2.998 mill	\$1.875 mill
\$2.0 mill Staff/Project Costs			
SUB TOTAL \$3.5 mill PROJECT		SUB TOTAL \$2.998 mill	SUB TOTAL \$1.875 mill
3000070 (IBIS# 241259)		3000080 (IBIS# 238870)	3000080 (IBIS# 238870)
Established and Approved Nov 2024, as part of AP (26) revision		Established and Approved Nov 2024, as part of AP (26) revision	Established and Approved Nov 2024, as part of AP (26) revision
Water Collaboration (3000070) Licensing - Budget	Water Collaboration (3000070) Licensing - Budget	Plus	Plus
FY 25/26 (BAU Costs) To manage Downer/Watercare relationship	FY 26/27 (BAU Costs) To manage Downer/Watercare relationship		
\$1.1 mill Watercare licensing - 3rd party (<i>apportioned / partly recovered from WBOPDC</i>)	\$530k Watercare licensing - 3rd party (<i>apportioned / partly recovered from WBOPDC</i>)	\$896k Consultancy 3 Water Reforms Budget item	
\$5k Travel	\$5k Travel	\$60k legal fees	\$50k legal fees
\$25k Consultancy	\$25k Consultancy	\$60k Maori engagement	\$25k Maori engagement
TOTAL \$4.6 million	TOTAL \$560k	TOTAL \$4.015 Million	TOTAL \$1.95 Million

Project Budgets and Deliverables

The below project budget was developed for the proposed multi-CCO programme and provides information on 4 of the 5 workstreams that will be required, as well as allowance for a leadership team and project management support. Digital delivery has been kept separate to this part of the project while a pathway forward, and longer-term shared investment (shared services) is sought.

The current approach to cost sharing with partners has been based on a number of factors; number of connections, population, operating revenue, operating expenditure, asset value and asset replacement value. The result of which demonstrated that TCC would fund 64%, with partner councils paying the remaining 36%.

Workstream	Type of work required (Deliverables)	Total budgeted	Estimated requirements for People Requirements and Specialist Support
Operations & Asset Mgmt (AMOS)	Deliverables: Operations Transition Assurance Checklist, Compliance with Drinking Water Standards and resource consents. Register of consents, Trade Waste Management Plan and Trade Waste Permits, Trade Waste Bylaws and Arrangements, review of trade waste charges, Incident and Emergency Management Framework, Customer contact channels, Contact Centre - Service Agreement, National Infrastructure Development Code (or equivalent), Stormwater Network Assets and Functions for Transfer Identified for Inclusion in Allocation Schedule, Register of consent obligations, Maintenance and Operations standards, processes and procedures, Completion of Customer Charter/Agmt, Growth Planning and Land Development Working Practice Guides, Laboratory services, Capital Programme Framework and Programme, Capital Programme - Capability Structure, Stormwater Modelling Guidelines, Partners / Service Suppliers and Stakeholder plan, Stormwater Service Level Agreements CCO<->Council, Customer Service KPIs, Customer Reporting Mechanisms, Business Continuity Plan, Compliance, Monitoring & Enforcement Plan, Asset Management Plan & Strategic Asset Management Plan guidelines, Fleet Procurement, Transfer of current vehicles, rebranding, cutover processes by Council, Internal Audit, Quality and Risk Management Processes and Procedures, Sustainability Strategy & Emissions Plan	\$ 670,000 <i>TCC Share @64%</i> <i>\$ 556,800</i>	Estimated FTE – 4.5 (4.5 Senior roles) Consultancy - \$200k Peer Review
Legal and Governance	Deliverables: Water Services Strategy, Constitution & Shareholder agreement developed and agreed, Creation of Chief Executive Group, Program Steering Group and Project steering groups + workstream leads. Procurement Policy, Transfer Principles and transfer agreement, Board Terms of Reference, Shareholder Council Established, CCO Name, Delegations Framework, Communications plan, debt payment schedule, CCO Assurance Approach (Compliance framework), Service level agreements, bylaw management and	\$ 1,200,000 <i>TCC Share @64%</i> <i>\$ 768,000</i>	Estimated FTE – 2 (1.5 FTE) Senior roles Plus Support Consultancy - \$900k Peer Review Document drafting

	transfer, Novated contracts, Supplier Performance Management Framework and Plan, Execute Transfer schedule		
People and Relationships	Deliverables: Health & Safety strategy and Assurance, Union negotiation, Employment structure, employment agreements, settlement of terms & conditions, functional design of orgn, organisational design, Review of roles for Organisational Design, Staff Transition Plan, CE recruitment approach, sizing and JD, Collective Agreements - Finalised With Union Ratification, Attraction and Recruitment strategy, Training & onboarding Plan, Brand development (CCO Name), Brand / Logo Development, Brand guidelines, Transition Communications Strategy, Employment Pathways, staff locations, Customer Communications Strategy, IEA agreements, HR Policies, Remuneration policy, transitioning positions into Orgn Structure, Job Offers, Key People policies, Change management plan, Communications Strategy, Recruitment - Early Establishment / Mgmt Team, Onboarding existing and new staff, Recruit externally, Inductions	\$ 850,000 <i>TCC Share @64%</i> \$ 544,000	Estimated FTE – 6 (3 FTE) Senior roles (3 FTE) Support roles Consultancy – N/A
Finance and Funding	Deliverables: Funding Strategy, Funding and Pricing plan (WS, WW, SW), transactional banking, charging policy, Financial management and accounting processes and procedures, Insurances, volumetric water billing and functions, CCO Cost Centre Structure, Chart of Accounts, Debt Acceptance processes, Settlement Asset Register, Draft CCO Operating Budget, Tariffing, Completion of development of development levy policy, auditor, credit ratings, bank debt facilities, Risk Management Framework, Operational Risk Register, Finance System Transition and Cutover Processes by Councils, Final schedule for settlement accounts transfer	\$ 1,550,000 <i>TCC Share @64%</i> \$ 762,000	Estimated FTE – 6 (2 FTE) Senior roles (4 FTE) Analyst roles Consultancy – \$300k Peer Review, independent assessments
Proj Mgmt, Transition Leadership	Establishment and transitional leadership. Iwi / Māori Engagement Strategy, Staff Change Management Plan, Confirmed Office and Accommodation approach, Council co-location offices set up, Leadership team established: Board, Prog Director, Est CEO, CFO and CDO	\$ 1,460,000 <i>TCC Share @64%</i> \$ 822,800	Governance and early management roles
Support Costs	Comms Mgr and Change Mgr, Proj Support Support costs, Contingency (5%)	\$ 443,250 <i>TCC Share @64%</i> \$ 283,680	Project support Contingency \$208,250
		\$6,173,250	
	TCC Share @64%	\$ 3,737,280	