



Ref: s.7(2)(a) - [REDACTED]

Civic House, 110 Trafalgar Street
PO Box 645, Nelson 7040, New Zealand

6 September 2021

P (03) 546 0200
E LGOIMA@ncc.govt.nz
nelson.govt.nz

s.7(2)(a) - protect the privacy of
natural persons including dcs'd
[REDACTED]

By email s.7(2)(a) - protect the privacy of [REDACTED]

Dear s.7(2)(a) - protect [REDACTED]

OFFICIAL INFORMATION REQUEST FOR THREE WATERS REFORM PROGRAMME

I refer to your official information request dated 11 August 2021 for the following:

- 1) *If Council decides to vote " in " to the Three Waters proposal, how much will each household have to pay the new Company annually?*
- 2) *What is the book value of the Council assets that would be transferred to this new Company?*

The information you requested is set out below:

1. Council does not hold information on what each household may have to pay a new water services entity annually, but the Department of Internal Affairs (DIA) has provided some information regarding average household costs. The DIA's analysis is that the current average annual cost per household in Nelson City is \$1,050 (being an estimated average household cost using modelling done for the DIA by the Water Industry Commission for Scotland and not representative of actual charges). In the year 2051 this amount is estimated to be \$2,330 with no reform, and \$1,260 if Nelson City Council participates in the reform programme (noting these figures are in today's dollars with no inflation).
2. The Government's current proposal is to transfer the assets and debt from councils to four new Water Service Entities. It is not a sale of assets. Councils would collectively own the Water Service Entity providing services for their districts on behalf of the community.

The book value for Nelson City Council's land and infrastructure for three waters assets, including a 50% share of the Nelson Regional Sewerage Business Unit as at 30 June 2021, together with an estimated value for 30 June 2024, is set out below:

Internal Document ID: A2737245

Asset values of Nelson City Council's Three Waters Assets	Actual	Estimated
	30-Jun-21 (\$000)	30-Jun-2024 (\$000)
The drinking water system (Water Supply)	\$196,684	\$220,549
The sewage system and treatment plants (Wastewater)	\$197,685	\$227,158
The stormwater system (Stormwater)	\$182,884	\$220,792
50% share of the Nelson Regional Sewerage Business Unit (NRSBU Wastewater)	\$39,297	\$47,543
	\$616,551	\$716,043

Note: These asset values include land which has been revalued at current market value, buildings and equipment which are valued at historical cost less accumulated depreciation and Infrastructure which is revalued at replacement cost less accumulated depreciation. These are therefore accounting values rather than what it would cost to replace the assets or what they are insured for.

For any council, the value of any assets to be transferred to a three waters regional entity around the end of June 2024, should this proceed, is not yet confirmed. There are several factors that will need clarification such as the makeup of the Stormwater components and what is likely to remain with Council as roading or reserves assets.

Council is providing ongoing updates to our website as we receive information regarding the reform process and proposals. This is available at <https://shape.nelson.govt.nz/three-waters-reform>) and includes Frequently Asked Questions, links to the Department of Internal Affairs website for more information and a recording of the Council workshop on 31 August 2021 where councillors spent time receiving information on the proposals and asking questions.

Subject to COVID-19 restrictions and alert levels, Council proposes to hold two public meeting. These meetings will be live streamed as well, due to the limited capacity at the venues (due to spacing requirements).

Tuesday 14 September 5:30 pm – 7:30 pm

Venue: Greenmeadows Centre

Max participants: 50 people + live streaming

Thursday 16 September 5:30 pm – 7:30 pm

Venue: Northern end of Trafalgar Centre

Max participants: 80 people + live streaming

Tickets to these events will be made available when we have confirmation that we will be moving to Alert Level 2. Please check Council's website for any subsequent updated information regarding the public meetings.

Council has received your email of 3 September 2021 with your comments regarding the public meetings and the need for a binding referendum. We appreciate that limited attendance numbers at the public meetings is not ideal but will be required due to the Alert Level restrictions and there will be the opportunity for live streaming or viewing the meetings later, as well as submitting questions and feedback through that process.

All councils have until 1 October 2021 to provide feedback on the Three Waters proposals and financial support package. Council will be provided with the opportunity to provide questions and feedback to central government on the current proposal. Councils have been advised that the Government will then consider next steps and revised timing for decision making, which would accommodate the time required for any community or public consultation. At this stage it is not possible to confirm any date for a decision. Council is not being asked to opt in/out at this stage just consider the proposal and provide feedback to Government.

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or Freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact Jennie McFarlane, Strategic Adviser Infrastructure (jennie.mcfarlane@ncc.govt.nz).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Alec Louverdis', with a long horizontal flourish extending to the right.

Alec Louverdis
Group Manager Infrastructure