

From: [Dent, Alan](#)
To: [Sam Ponniah](#)
Cc: [Tan, John](#); 9(2)(a)
Subject: RE:Friday's session
Date: Wednesday, 3 February 2021 7:06:18 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[Copy of region and sector \(database\) \(002\).xlsx](#)
[Economic Impact - Initiation.docx](#)

Hi Sam

For the session on Friday we are keen to work through the following. We accept that this will be a bit iterative but hopefully we can make good progress.

Engagement set up

- Introduce our teams
- Briefing regarding the project and desired outcomes in the context of the wider reform programme of work
- Confirmation of scope and analysis
- Establish our ways of working together (e.g. weekly stand up, weekly status reporting, location of the teams)
- Key contacts – including who holds what data
- Identification of stakeholders for interviews
- Governance and reporting arrangements for the project
- Roles and responsibilities of the DIA team – including who we will need to work with to agree/develop scenarios, agree key assumptions (including “shocks” to be modelled, understand the likely transition path, establish the nature of anticipated benefits including timing and scale etc
- Overview of other work programmes that are relevant to this project and confirm other analysis undertaken previously by DIA to be referenced by this work
- Confirmation of milestones and deliverable dates
- Information gathering

Approach and data request

See attached

Reporting

- Agree structure of the report and contents page
- Other reporting e.g. visual/dynamic modelling/diagrammatic outputs

I am available on mobile most times tomorrow if you would like to discuss any aspects of the above/the attached.

Kind Regards

Alan Dent

Partner | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

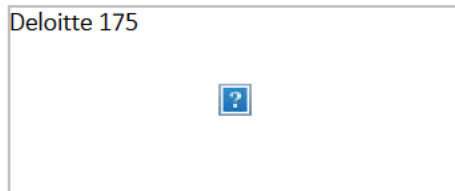
D: 9(2)(a) | M: 9(2)(a) | O: 9(2)(a) | F: 9(2)(a)

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	Regions in New Zealand												Confirming the 16 main regions- all aligned with StatsNZ's regional definitions
1	Northland Region												
2	Auckland Region												
3	Waikato Region												
4	Bay of Plenty Region												
5	Gisborne Region												
6	Hawke's Bay Region												
7	Taranaki Region												
8	Manawatu-Wanganui Region												
9	Wellington Region												
10	Tasman Region												
11	Nelson Region												
12	Marlborough Region												
13	West Coast Region												
14	Canterbury Region												
15	Otago Region												
16	Southland Region												

Confirming 3 to 4 TAs to be included in the CGE model

Territorial Authority

Far North District
Whangarei District
Kaipara District
Auckland
Thames-Coromandel District
Hauraki District
Waikato District
Matamata-Piako District
Hamilton City
Waipa District
Otorohanga District
South Waikato District
Waitomo District
Taupo District
Western Bay of Plenty District
Tauranga City
Rotorua District
Whakatane District
Kawerau District
Opotiki District
Gisborne District
Wairoa District
Hastings District
Napier City
Central Hawke's Bay District
New Plymouth District
Stratford District
South Taranaki District
Ruapehu District
Whanganui District
Rangitikei District
Manawatu District
Palmerston North City
Tararua District
Horowhenua District
Kapiti Coast District
Porirua City
Upper Hutt City
Lower Hutt City
Wellington City
Masterton District
Carterton District
South Wairarapa District
Tasman District
Nelson City
Marlborough District
Kaikoura District
Buller District
Grey District
Westland District
Hurunui District
Waimakariri District
Christchurch City
Selwyn District
Ashburton District
Timaru District
Mackenzie District
Waimate District
Chatham Islands Territory
Waitaki District
Central Otago District
Queenstown-Lakes District

Dunedin City
Clutha District
Southland District
Gore District
Invercargill City
Area Outside Territorial Authority

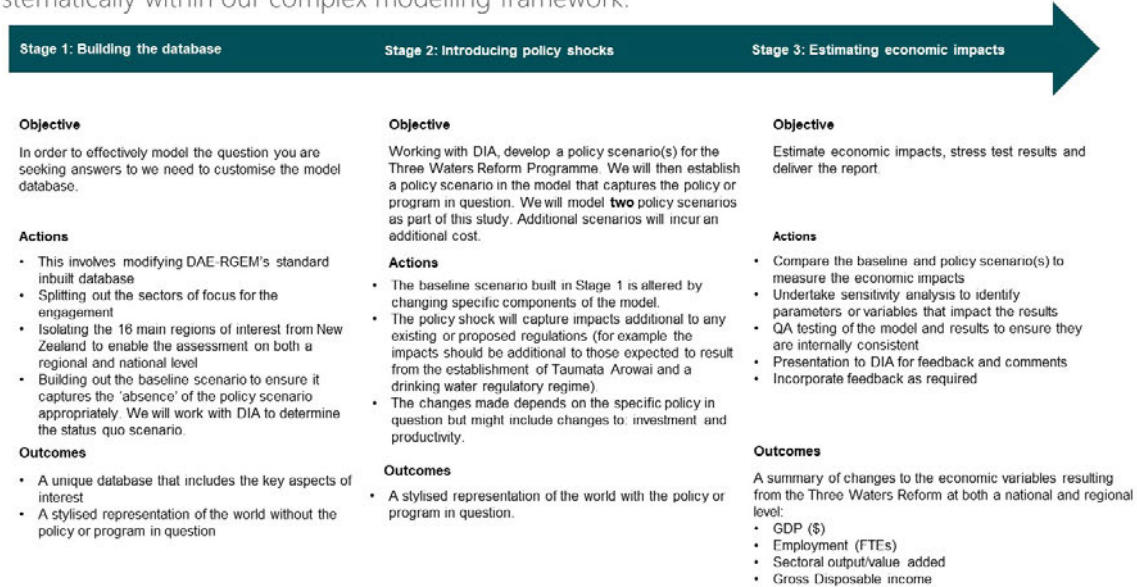
NEW aggregation		GTAP aggregation				
Code	Name	Count	GTAP Code	Long name & MAP	MAP	
1	AgrFF ! Crops, livestock, Forestry and Fishing	1	pdrr	paddy rice ! CROPS	AgrFF	
2	MINING ! Coal, oil, gas, and other mining	2	wht	wheat ! CROPS	AgrFF	
3	FOODMAN ! Food processing	3	gro	cereal grai ! CROPS	AgrFF	
4	LIGHTMAN ! Light manufacturing	4	v_f	vegetables ! CROPS	AgrFF	
5	HEAVYMAN ! Heavy manufacturing	5	osd	oil seeds ! CROPS	AgrFF	
6	TRADE ! Trade	6	c_b	sugar cane ! CROPS	AgrFF	
7	TRANS ! Transport	7	pfbb	plant-base ! CROPS	AgrFF	
8	UTILITIES ! Electricity	8	ocr	crops nec ! CROPS	AgrFF	
9	WATER ! Water	9	cti	bovine cat ! LIVESTOCK	AgrFF	
10	CONS ! Construction	10	oap	animal prc ! LIVESTOCK	AgrFF	
11	FINANCE ! Financial services	11	rmk	raw milk ! LIVESTOCK	AgrFF	
12	BUSSERV ! Business services	12	wol	wool, silk- ! LIVESTOCK	AgrFF	
13	RECSERV ! Recreation services	13	frs	forestry ! FF	AgrFF	
14	OSERV ! Other services	14	fsh	fishing ! FF	AgrFF	
		15	coa	coal ! COG	Mining	
		16	oil	oil ! COG	Mining	
		17	gas	gas ! COG	Mining	
		18	oxt	minerals n ! OMINING	Mining	
		19	cmt	bovine cat ! FOODMAN	FOODMAN	
		20	omt	meat prod ! FOODMAN	FOODMAN	
		21	vol	vegetable ! FOODMAN	FOODMAN	
		22	mil	dairy prod ! FOODMAN	FOODMAN	
		23	pcr	processed ! FOODMAN	FOODMAN	
		24	sgr	sugar ! FOODMAN	FOODMAN	
		25	ofd	food prod ! FOODMAN	FOODMAN	
		26	b_t	beverages ! FOODMAN	FOODMAN	
		27	tex	textiles ! LIGHTMAN	LIGHTMAN	
		28	wap	wearing ap ! LIGHTMAN	LIGHTMAN	
		29	lea	leather prt ! LIGHTMAN	LIGHTMAN	
		30	lum	wood prod ! LIGHTMAN	LIGHTMAN	
		31	ppp	paper proc ! LIGHTMAN	LIGHTMAN	
		32	p_c	petroleum ! LIGHTMAN	LIGHTMAN	
		33	chm	Chemical ! LIGHTMAN	LIGHTMAN	
		34	bph	Basic phar ! LIGHTMAN	LIGHTMAN	
		35	rpp	Rubber an ! HEAVYMAN	HEAVYMAN	
		36	nmm	mineral pr ! HEAVYMAN	HEAVYMAN	
		37	i_s	ferrous me ! HEAVYMAN	HEAVYMAN	
		38	nfm	metals nec ! HEAVYMAN	HEAVYMAN	
		39	fmp	metal proc ! HEAVYMAN	HEAVYMAN	
		40	ele	Computer, ! HEAVYMAN	HEAVYMAN	
		41	eeq	Electrical e ! HEAVYMAN	HEAVYMAN	
		42	ome	Machinery ! HEAVYMAN	HEAVYMAN	
		43	mvh	Motor vehi ! HEAVYMAN	HEAVYMAN	
		44	otn	Transport ! HEAVYMAN	HEAVYMAN	
		45	omf	Manufactu ! HEAVYMAN	HEAVYMAN	
		46	ely	Electricity ! UTILITIES	UTILITIES	
		47	gdt	Gas manu ! UTILITIES	UTILITIES	
		48	wtr	Water ! UTILITIES	UTILITIES	
		49	cns	Constructi ! CONS	CONS	
		50	trd	Trade ! TRADE	TRADE	
		51	afs	Accommoc ! TRADE	TRADE	
		52	otp	Land trans ! Trans	Trans	
		53	wtp	Water trar ! Trans	Trans	
		54	atp	Air transp ! Trans	Trans	
		55	whs	Warehousi ! Trans	Trans	
		56	cmn	Communic ! OSERV	OSERV	
		57	ofi	Financial s ! FINANCE	FINANCE	
		58	ins	Insurance ! FINANCE	FINANCE	
		59	rsa	Real estab ! BUSSERV	BUSSERV	
		60	obs	Business s ! BUSSERV	BUSSERV	
		61	ros	Recreation ! RECSERV	RECSERV	
		62	osg	Public Adm ! OSERV	OSERV	
		63	edu	Education ! OSERV	OSERV	
		64	hnt	Human he ! OSERV	OSERV	
		65	dwe	Dwellings ! OSERV	OSERV	

Scenario Definition Discussion with DIA

1. Proposed Approach

Our approach for the economic impact assessment workstream

Our approach is structured to ensure that the question you are trying to answer is approached systematically within our complex modelling framework.



2. Establish the Base Case (from the draft RIS)

- Water users
 - Households (existing only or is network growth in scope?)
 - Businesses
 - Rural
 - Urban
- Affected industries
- Workforce
- Local authorities
- Regulators
- Iwi/Maori
- General Public

3. Define Policy Scenarios (Assumed up to 2)

- An assumed 'future operating model scenario' = set based on a combination of parameters, which might include:
 - Metering? Smart meters?
 - Volumetric charging?
 - Impact on demand of volumetric charging
 - Quantum of additional funding, and which incremental projects / types of projects are prioritised
 - Incremental change in Supply (additional take from source, storage, transportation, treatment)
 - Are there regional differences in operating model parameters
 - Degree and timing of regulatory change

- The scenario definition needs to be set with reference to existing DIA work and data sets
- Each scenario to assess the economic impact, is fundamentally based on:
 - Baseline LTP capex + incremental govt funded capex
 - Productivity or efficiency savings
 - Incremental capex effect of new operating model parameters (metering, usage, systems, supply)
 - Incremental change in opex
 - Any known constraints (supply, capacity etc)

4. Define Geographies

- National
- Regional (16x Regions)
- TA level (based on I/O Modelling + calibration with regional and sub-regional analysis)
 - We can model a targeted number of TAs within the CGE model, which we would like to agree with you to start to build the database for the CGE model. The TAs should be sufficiently heterogenous from the region.
 - We could also select a handful of other TAs at a later stage to flow-through the regional impacts based on our multipliers out of our Input-Output model.

5. Define Sectors

- See attached excel file
 - We can model a maximum of 65 sectors, but we suggest 14 aggregated sectors

6. Confirm CGE Data inputs

- We need to agree the timeframe to assess the economic impact. Start in 2021? For 20 years?
- Key inputs what will need are, by TA level:
 - Baseline LTP capex
 - Incremental capex
 - Any known cost savings
 - Productivity or efficiency savings
 - Incremental change in opex
- Would be good if we could get the capex data early next week to start to test our CGE model. We can add the incremental change in opex at a later stage, and agree with you how we want to assess productivity (exogenously or endogenously)

From: [Dent, Alan](#)
To: [Nick Davis](#)
Cc: [Sam Ponniah](#); [Tan, John](#)
Subject: RE:Call Tomorrow
Date: Tuesday, 9 February 2021 7:38:41 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[DIA Three Waters Discussion Points with Nick Davis.docx](#)

Hi Nick

In advance of tomorrow's call John and I have pulled together some topics that we thought we could canvass. Key is section 1 re how we set the project up/make sure we have the full context for our work.

In terms of the other sections we are not looking to dive into the detail but rather test our thinking and take on board any thoughts that you have. We are very focussed on making sure that (i) we understand the process for formulating the key assumptions that feed into our analysis and (ii) what we produce meets what you need for the purposes of your wider programme of work and related reporting.

While we have set out some of the areas that we would like to touch on we do see this as much your session as ours so would be keen at the front end of the call to talk about what you would like to cover off.

Kind Regards

Alan Dent

Partner | Corporate Finance

Deloitte

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DIA Three Waters Discussion Points

1. General Project Initiation

- a) Re-iterate DIA's expectations of the economic impact workstream
- b) Programme structure
- c) Confirm how the economic impact analysis sits alongside other related workstreams
- d) Confirm Deloitte reporting lines
- e) Discuss how our analysis will be feed into the evaluation of the different options that will be presented to Ministers
- f) Provide an overview of key 'workstreams'
 - i. Scenario/Sensitivity + Key Assumptions Definition
 - ii. Data & Model Design
 - iii. Stakeholder consultation
- g) Report structure & Chapter Headings

2. Workstream 1: Define Scenario/Sensitivity + Key Assumptions

- a) Workshop to agree scenario definitions + scenario assumptions + sensitivity analysis.
Key discussion will be around the base case (b) and scenario assumption definitions (c).
- b) Define base case (extract below from the draft RIS)
 - Water users
 - Households (existing only or is network growth in scope?)
 - Businesses
 - Rural
 - Urban
 - Affected industries
 - Workforce
 - Local authorities
 - Regulators
 - Iwi/Maori
 - General Public
- c) Define **Scenarios + Sensitivities**
 - Confirm what we mean by **scenarios vs sensitivities**
 - A 'future operating model **scenario**' = set based on a combination of parameters, which may affect other parameters. These parameters might include:
 - Opt in/opt out/voluntary
 - Two of three waters
 - Metering / revenue model / capex
 - Efficiency linked to revenue model
 - Transition and establishment process – timing/nature/investment required
 - Degree and timing of regulatory change
 - Policy design:
 - National centralised fund
 - Disclosure regime
 - Marginal improvement
 - System transformation
 - Geography: National/regional/TA, metro/provincial/rural

- WICS scenarios: 9x in total
- Given that the number of scenarios is potentially unlimited, we propose a ‘book-end’ based approach, with the ‘status quo’ and a ‘reasonably fully developed scenario’ as the bookends, with the ability to adjust certain key assumptions via sensitivity analysis
- Define which parameters we wish to analyse as **sensitivities**

3. Workstream 2: Data & Model Design

- a) Confirm what data sources will be available and when:
 - Raw data (held by DIA, requested for WICS)
 - RFI detailed workbook I (Councils who have opted in)
 - RFI less detailed workbook II (base data request)
 - WICS analysis
 - Any other data previously aggregated by DIA
- b) Can we access this data or the format of the data in parallel with our Model design? Confirm points of contact for data and assumptions (DIA and EY)
- c) Suggested Model design parameters (for confirmation)
 - National
 - Regional (16x Regions + (up to 2x to inform I/O Modelling + calibration of sub-regional analysis)
 - Otago Lakes excluding Queenstown + Queenstown
 - Is there one other region that DIA is interested in
 - TA level
 - Grouping of TAs by: Metro, Provincial and Rural as a reporting layer
 - Sectors: we can model a maximum of 65 sectors, but suggest 14 aggregated sectors
 - Time horizon: 30 years to match WICS
- d) Key modelling data required:
 - **Information on planned CAPEX as part of this reform**, by region and over time (for the base case and for each scenario). Accepting that rate and pace of change could be different across scenarios. The CAPEX must be incremental as a result of the reform; i.e. the CAPEX must be additional and attributable to the reform. Key will be level of granularity – e.g. is the focus on the amount and phasing of capex v the nature of the capex (e.g. pipes v metres v systems investment etc.)
 - **Baseline and incremental opex?**
 - **Projected efficiency improvements** in the delivery of water services (for each scenario). For example, dollar savings for households and firms, or a percentage reduction in costs to users.

4. Sector Impact / Stakeholder Consultation

- a) Confirm key entities to be consulted. Confirm key contacts
- b) What desktop analysis has DIA undertaken to date

- c) Design stakeholder consultation questions – DIA, Deloitte UK & Australia experience, hypotheses
- d) Test against criteria: equitable outcomes (including pan-stakeholder and national/regional), affordability, access to capital, labour chain productivity and supply chain considerations (market impact)

From: [Tan, John](#)
To: [Sam Ponniah](#); 9(2)(a)
Subject: RE:Follow up
Date: Wednesday, 10 February 2021 11:34:41 am
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Hi Sam

Thanks for this.

- I agree that there is a strong preference to use the WICS output for consistency
- I can do any time on Friday at this stage and 11-12 on Thurs but not 12-1

Regarding the key model parameters, the current thinking on this is set out in the note that Alan sent last night to you/Nick. This may vary depending on the discussion around scenarios

John

From: Sam Ponniah 9(2)(a) @martinjenkins.co.nz>
Sent: Wednesday, 10 February 2021 11:12 AM
To: Tan, John <9(2)(a) @deloitte.co.nz>; 9(2)(a) <9(2)(a) @deloitte.co.nz>
Subject: [EXT] Follow up

Hi guys,

Just following up on our chat this morning:

- it's the G tabs that will have the constrained and unconstrained forward capex data – but note that WICS will be 'sense-checking' its figures using these numbers so might still be best to stick with the outputs of their work
- I've sent emails to EY/MAFIC and will look at lining up meetings for later this week, I'll talk to WICS separately and hopefully can schedule something for Friday too – **could you let me know if there are any times this week that you can't do?**
- Finally, I followed up internally and we should have a contract to you this afternoon – apologies for the delay on this.

Could I also check on the status of the work commissioned last Friday around mapping out the key parameters for the model? **When can we expect this?**

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)



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[Level 1, City Chambers, Cnr Johnston & Featherston Sts, Wellington](#)

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From: [Tan, John](#)
To: [Michael Chatterley](#)
Cc: 9(2)(a); [Sam Ponniah](#)
Subject: RE:Economic impact analysis and crossover with modelling on position of Councils and new entities
Date: Wednesday, 10 February 2021 5:11:14 pm
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
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[image008.png](#)
[image009.png](#)

Hi Michael

No problems – when Sam shared the RFI link, it was pretty clear that 99% of the data was of limited use to us so we'll see what WICS comes up with

Cheers John

From: Michael Chatterley <9(2)(a)@dia.govt.nz>
Sent: Wednesday, 10 February 2021 5:03 PM
To: Tan, John <9(2)(a)@deloitte.co.nz>
Cc: 9(2)(a) <9(2)(a)@deloitte.co.nz>; Sam Ponniah <9(2)(a)@martinjenkins.co.nz>
Subject: [EXT] RE: Economic impact analysis and crossover with modelling on position of Councils and new entities

Thanks John

That all sounds fine – I spoke with Sam immediately after that email (we were unable to connect prior). It was the Rfi reference that caused me concern mainly around timing and confirmation from Sophie that it would be of limited value for the EIA.

Ngā mihi nui,

Michael Chatterley

Commercial and Financial Lead - Three Waters Reform Programme

9(2)(a)

From: Tan, John <9(2)(a)@deloitte.co.nz>
Sent: Wednesday, 10 February 2021 4:58 PM
To: Michael Chatterley <9(2)(a)@dia.govt.nz>
Cc: 9(2)(a) <9(2)(a)@deloitte.co.nz>; Sam Ponniah <9(2)(a)@martinjenkins.co.nz>
Subject: RE:Economic impact analysis and crossover with modelling on position of Councils and new entities

Hi Michael

I've been chatting with Sam and Nick today to kick off a number of workstreams. We intend to facilitate a workshop next week to confirm the scenarios and assumptions that will inform our analysis, which we will of course invite you to

We are not planning on diving into the detail of the RFI data and the plan is to utilise the WICS phase 1 data, with a conversation with WICS scheduled for Friday. The purpose of the sessions with EY and MAFIC are to ensure that our assumptions are internally consistent with the other workstreams and that we don't stray into other workstreams, get swallowed in the detail of the data or go off piste.

I'll give you a call tomorrow to make sure that we are on the same page regarding approach

John

From: Michael Chatterley <[redacted]@dia.govt.nz>

Sent: Wednesday, 10 February 2021 1:39 PM

To: Campbell Will <[redacted]@mafic.co.nz>; Tan, John <[redacted]@deloitte.co.nz>; Sam Ponniah <[redacted]@martinjenkins.co.nz>; Sophie Dawson <[redacted]@nz.ey.com>; Jamie Sutton <[redacted]@nz.ey.com>; Scott Priestley <[redacted]@dia.govt.nz>

Cc: [redacted] <[redacted]@deloitte.co.nz>

Subject: [EXT] RE: Economic impact analysis and crossover with modelling on position of Councils and new entities

Thanks Sam and team

A couple of quick observations. As much as John (and others) will want to get into the Rfl data, I am not sure it will add value to Deloitte's work. Thinking about timelines, and given the EIA is looking at the impact of the reform on regions and communities (as distinct from TAs as entities), I suspect WICS phase one data/analysis will be much more useful base for John and [redacted].

@Sam, we also need to get agreement internally as to the scenarios we want Deloitte to run so that John and team can let us know what inputs are needed and we can have those extracted from the Rfl where available.

Ngā mihi nui,

Michael Chatterley

Commercial and Financial Lead - Three Waters Reform Programme

[redacted]

From: Campbell Will <[redacted]@mafic.co.nz>

Sent: Wednesday, 10 February 2021 1:15 PM

To: Tan, John <[redacted]@deloitte.co.nz>; Sam Ponniah <[redacted]@martinjenkins.co.nz>; Sophie Dawson <[redacted]@nz.ey.com>; Jamie Sutton <[redacted]@nz.ey.com>; Scott Priestley <[redacted]@dia.govt.nz>

Cc: [redacted] <[redacted]@deloitte.co.nz>; Michael Chatterley <[redacted]@dia.govt.nz>

Subject: RE: Economic impact analysis and crossover with modelling on position of Councils and new entities

Hi John

I can make 11-12 on Thursday if that works for others.

Cheers,

Campbell



Campbell Will

Mafic Partners Limited

M: [redacted]

From: Tan, John <[redacted]@deloitte.co.nz>

Sent: Wednesday, 10 February 2021 11:52 am

To: Sam Ponniah <[redacted]@martinjenkins.co.nz>; Sophie B Dawson <[redacted]@nz.ey.com>; Jamie Sutton <[redacted]@nz.ey.com>; Scott Priestley <[redacted]@dia.govt.nz>; Campbell Will <[redacted]@mafic.co.nz>

Cc: [redacted] <[redacted]@deloitte.co.nz>; Michael Chatterley <[redacted]@dia.govt.nz>

Subject: RE:Economic impact analysis and crossover with modelling on position of Councils and new entities

Hi Sam and thanks for the virtual intro.

Liza and I are keen to chat to the EY, MAFIC and WICS teams to ensure that our assumptions are

aligned, to agree the interfaces between relevant outputs from your respective workstreams and inputs to our economic modelling, and to avoid any rework. We can do 11-12 on Thurs (but not 12-1pm) or any time on Friday. I don't mind a collective session if it can be made to work or a couple of sessions if not

Thanks & Regards

John

John Tan

Partner | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

Direct: 9(2)(a) | Main: 9(2)(a) | Fax: 9(2)(a) | Mobile: 9(2)(a)

9(2)(a) [@deloitte.co.nz](mailto:9(2)(a)@deloitte.co.nz) | www.deloitte.co.nz

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From: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Sent: Wednesday, 10 February 2021 10:30 AM

To: Sophie B Dawson <9(2)(a)@nz.ey.com>; Jamie Sutton <9(2)(a)@nz.ey.com>;

Scott Priestley <9(2)(a)@dia.govt.nz>; Campbell Will <9(2)(a)@mafic.co.nz>

Cc: Tan, John <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>;

Michael Chatterley <9(2)(a)@dia.govt.nz>

Subject: [EXT] Economic impact analysis and crossover with modelling on position of Councils and new entities

Hi guys

We have brought Deloitte on board to undertake an economic impact analysis as a key input into the RIS.

We're keen to maintain alignment between their work and the analysis you're doing around the financial position of Councils and new entities respectively and avoid any duplication of effort (particularly in terms of extracting/analysing the raw data from the Rfl).

Could you please suggest some times for an introductory meeting for you to meet with John and Liza to discuss the analysis you are undertaking and the likely format/output of that analysis. If there are any summaries or samples that you can send through to them of what the outputs could look like that would be much appreciated. Sophie as part of this it would also be helpful if you're able to also talk them through the work you're doing in consolidating the Rfl data so they have an understanding of what's likely to be available as an output from that process.

My suggestion would be for a 30 minute call with EY on Thursday between 11am and 1pm and a 30 minute call with MAFIC Friday between 10am and 1pm. Let me know if that works and also if it would be preferable to meet as a collective.

[@Michael](#), copying you in so you have visibility of this.

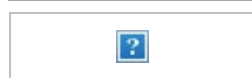
Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)



Level 16, AIG Building, 41 Shortland St. **Auckland**

Level 1, City Chambers, Cnr Johnston & Featherston Sts. **Wellington**

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From: [Tan, John](#)
To: [Sam Ponniah](#)
Cc: [Dent, Alan](#); 9(2)(a); 9(2)(a)
Subject: RE:Economic impact analysis and crossover with modelling on position of Councils and new entities
Date: Thursday, 11 February 2021 9:27:32 am
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)

Hi Sam

Next Monday is not very good for us. Anytime Tues except 3pm is fine to catch up with Sophie. Can you please send the details of the DIA project coordinator with access to people's diaries to get in contact with 9(2)(a) (copied), who has access to Deloitte diaries.

9(2)(a) – we need to organise a workshop next week. Allow 2.5 hours. Attendees will be the people below + Alan, me, 9(2)(a). Also invite 9(2)(a) from Australia. Can you please work with Sam to coordinate diaries for next week. I've spoken to Alan and generally Wed > 10am, anytime Thurs or Fri morning work well for both of us

Thanks John

From: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>
Sent: Wednesday, 10 February 2021 5:38 PM
To: Tan, John 9(2)(a)@deloitte.co.nz>
Subject: [EXT] FW: Economic impact analysis and crossover with modelling on position of Councils and new entities

Hi John, just checking if you have a time next Monday that would suit a catch up with Sophie? Also on scheduling a workshop for next week I'm not sure if you wanted to take lead on this? It might be easiest to get the project coordinator at DIA to find a time that fits people's diaries.

Based on the discussion today the people who would need to be invited are:

- Myself 9(2)(a) @martinjenkins.co.nz
- Nathan Bittle 9(2)(a) @nz.ey.com
- Scott Priestley 9(2)(a) @dia.govt.nz
- Sarah Baddeley 9(2)(a) @martinjenkins.co.nz
- Phillip Eyles 9(2)(a) @dia.govt.nz
- Nick Davis 9(2)(a) @martinjenkins.co.nz
- Michael Chatterley 9(2)(a) @dia.govt.nz

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)

From: Sophie B Dawson <9(2)(a)@nz.ey.com>
Sent: Wednesday, 10 February 2021 1:39 PM
To: Tan, John <9(2)(a)@deloitte.co.nz>; Sam Ponniah <9(2)(a)@martinjenkins.co.nz>;
Jamie Sutton <9(2)(a)@nz.ey.com>; Scott Priestley <9(2)(a)@dia.govt.nz>;
Campbell Will <9(2)(a)@mafic.co.nz>
Cc: 9(2)(a) <9(2)(a)@deloitte.co.nz>; Michael Chatterley
<9(2)(a)@dia.govt.nz>

Subject: RE: Economic impact analysis and crossover with modelling on position of Councils and new entities

Hi John,

Apologies, I am not available at 11 tomorrow or Friday. Does some time next week suit?

Regards,

Sophie

Sophie Dawson | Director | Infrastructure Advisory

Ernst & Young Limited

Mobile: 9(2)(a) | 9(2)(a) @nz.ey.com

From: Tan, John 9(2)(a) @deloitte.co.nz>

Sent: Wednesday, February 10, 2021 11:52 AM

To: Sam.Ponniah <9(2)(a) @martinjenkins.co.nz>; Sophie B Dawson <9(2)(a) @nz.ey.com>; Jamie Sutton <9(2)(a) @nz.ey.com>; Scott Priestley <9(2)(a) @dia.govt.nz>; Campbell Will <9(2)(a) @mafic.co.nz>

Cc: 9(2)(a) <9(2)(a) @deloitte.co.nz>; Michael Chatterley <9(2)(a) @dia.govt.nz>

Subject: RE:Economic impact analysis and crossover with modelling on position of Councils and new entities

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9(2)(a) and I are keen to chat to the EY, MAFIC and WICS teams to ensure that our assumptions are aligned, to agree the interfaces between relevant outputs from your respective workstreams and inputs to our economic modelling, and to avoid any rework. We can do 11-12 on Thurs (but not 12-1pm) or any time on Friday. I don't mind a collective session if it can be made to work or a couple of sessions if not

Thanks & Regards

John

John Tan

Partner | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

Direct: 9(2)(a) | Main: 9(2)(a) | Fax: 9(2)(a) | Mobile: 9(2)(a)

9(2)(a) @deloitte.co.nz | www.deloitte.co.nz

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Please consider the environment before printing.

From: Sam Ponniah <9(2)(a) @martinjenkins.co.nz>

Sent: Wednesday, 10 February 2021 10:30 AM

To: Sophie B Dawson <9(2)(a) @nz.ey.com>; Jamie Sutton <9(2)(a) @nz.ey.com>; Scott Priestley <9(2)(a) @dia.govt.nz>; Campbell Will <9(2)(a) @mafic.co.nz>

Cc: Tan, John <9(2)(a) @deloitte.co.nz>; 9(2)(a) <9(2)(a) @deloitte.co.nz>; Michael Chatterley <9(2)(a) @dia.govt.nz>

Subject: [EXT] Economic impact analysis and crossover with modelling on position of Councils and new entities

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would be much appreciated. Sophie as part of this it would also be helpful if you're able to also talk them through the work you're doing in consolidating the Rfl data so they have an understanding of what's likely to be available as an output from that process.

My suggestion would be for a 30 minute call with EY on Thursday between 11am and 1pm and a 30 minute call with MAFIC Friday between 10am and 1pm. Let me know if that works and also if it would be preferable to meet as a collective.

[@Michael](#), copying you in so you have visibility of this.

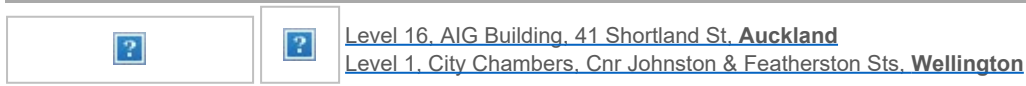
Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)



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has been maintained nor that the communication is free of errors, virus, interception or interference.

From: 9(2)(a)
To: [Tan, John](#); [Sam Ponniah](#)
Cc: 9(2)(a)
Subject: RE: Follow-up from today's start-up meeting
Date: Thursday, 11 February 2021 10:58:03 am
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Hi Sam

IT tells me we can't set up a teams site and add anyone outside Deloitte for security precautions sorry, but if you're able to set one up and add us + the relevant people at your end that should work.

From our end, could you please add the following people:

- John: 9(2)(a) [@deloitte.co.nz](mailto:9(2)(a)@deloitte.co.nz)
- Alan: 9(2)(a) [@deloitte.co.nz](mailto:9(2)(a)@deloitte.co.nz)
- 9(2)(a) : 9(2)(a) [@deloitte.co.nz](mailto:9(2)(a)@deloitte.co.nz)
- 9(2)(a) : 9(2)(a) [@deloitte.co.nz](mailto:9(2)(a)@deloitte.co.nz)
- 9(2)(a) : 9(2)(a) [@deloitte.com.au](mailto:9(2)(a)@deloitte.com.au)
- Myself: 9(2)(a) [@deloitte.co.nz](mailto:9(2)(a)@deloitte.co.nz)

Thanks very much,

9(2)(a)

9(2)(a)

Analyst | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

D: 9(2)(a) | O: 9(2)(a) | F: 9(2)(a)

9(2)(a) [@deloitte.co.nz](mailto:9(2)(a)@deloitte.co.nz) | www.deloitte.co.nz

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Please consider the environment before printing.

From: Tan, John <9(2)(a)@deloitte.co.nz>
Sent: Wednesday, 10 February 2021 7:42 PM
To: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>
Cc: 9(2)(a) <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>
Subject: Re: [EXT] RE: Follow-up from today's start-up meeting

Hi Sam

teams should work. We'll set up a site for this work stream and test it out. 9(2)(a) - could you please help with this tomorrow

Thanks

John

Sent from my iPhone

On 10/02/2021, at 5:40 PM, Sam Ponniah <[REDACTED]> @martinjenkins.co.nz wrote:

Hi John

I've chased this up on our end. There are a couple options:

DIA has used teams as a file sharing platform successfully and so this could be an option if you are able to set up a site and add the relevant people who need access.

This has the benefit of being linked with other Microsoft platforms.

The alternative would be to go with your sharepoint service.

Let me know which would work best from your perspective.

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M [REDACTED] T [REDACTED]

From: Tan, John <[REDACTED]> @deloitte.co.nz

Sent: Friday, 5 February 2021 3:39 PM

To: Sam Ponniah <[REDACTED]> @martinjenkins.co.nz; Dent, Alan <[REDACTED]> @deloitte.co.nz; [REDACTED] <[REDACTED]> @deloitte.co.nz; [REDACTED] <[REDACTED]> @deloitte.com.au

Cc: Nick Davis <[REDACTED]> @dia.govt.nz

Subject: RE:Follow-up from today's start-up meeting

Hi Sam

On data sharing, Deloitte has a service called 'Sharepoint' which is a secure workspace that can be accessed by DIA, other agencies/advisors and ourselves that is secure and access restricted. It is relatively quick to set up from our end and we could make this service available to the project team without charge. It would be a more secure method for sharing files and collaborating on the drafts than email. Please let me know if you would like us to set this up and which email addresses from the contact list that require access or if you have a preferred alternative. Can you also please send me the draft CSO so that we can complete any parts at our end to close this off

Many thanks

John

From: Sam Ponniah <[REDACTED]> @martinjenkins.co.nz

Sent: Friday, 5 February 2021 2:49 PM

To: Dent, Alan <[REDACTED]> @deloitte.co.nz; Tan, John <[REDACTED]> @deloitte.co.nz; [REDACTED] <[REDACTED]> @deloitte.co.nz; [REDACTED] <[REDACTED]> @deloitte.com.au

Cc: Nick Davis <[REDACTED]> @dia.govt.nz

Subject: [EXT] Follow-up from today's start-up meeting

Kia ora koutou

Good to chat this morning and looking forward to working together over the coming weeks.

Just to confirm from the meeting that you will be mapping for us:

- Decisions required to define the policy scenarios – what are the full set of parameters that will need to be defined for the model

Sensitivity testing vs scenario analysis– what are the input assumptions we will be able to vary once the models are set up versus the structural elements of the models to agree up front

- Options around TA modelling – picking up Cedric’s comments about the approach taken in Australia with identifying representative characteristics of metro, provincial and rural councils

We also agreed in terms of a project management approach for:

- Weekly stand-up meetings to discuss key tasks for the week, potential roadblocks, project tracking etc (*is it ok if I schedule these for Monday mornings and who should be involved in these?*)
- Content-focused meetings to be set up as needed
- Brief reporting on a weekly basis of hours billed, tasks completed, key risks and progress against budget (form to be determined by Deloitte team)

Actions I noted on my side were

- Industry stakeholders to interview – we will send you our initial list to respond to
- Develop contact list with key names for data sources
- Confirm approach to sharing files – which platform to use
- Send through Request for Information workbooks (see below)

Please let me know if I’ve missed anything

Request for information (Rfi)

The Rfi has been conducted in two parallel parts – a more detailed request to a sample of councils, including councils who have chosen to opt-in to providing this information (Workbook I), and a less detailed request to all remaining councils that primarily covers base service provision information and financials (Workbook II).

- Rfi detailed workbook I - [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/Request-for-Information-Template-Workbook-I-v2.xlsx](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/Request-for-Information-Template-Workbook-I-v2.xlsx)
- Rfi less detailed workbook II - [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/Request-for-Information-Template-Workbook-II-v3-\(Revised-with-Optional-fields\).xlsx](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/Request-for-Information-Template-Workbook-II-v3-(Revised-with-Optional-fields).xlsx)

We can organise sessions with the EY and WICS leads so you can discuss the way their modelling is being set up given some of your core input parameters will be coming from their analyses.

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)

[<image001.png>](#) [<image002.png>](#) [<image003.png>](#)

[<image004.png>](#) Level 16, AIG Building, 41 Shortland St, **Auckland**

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From: [Tan, John](#)
To: [Sam Ponniah](#); [Sylvie Ots](#)
Cc: 9(2)(a); [Dent, Alan](#); 9(2)(a)
Subject: RE:Organising a workshop next week for three waters reform programme
Date: Friday, 12 February 2021 9:42:45 am
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)

Hi Sam

Yes we'll make 8.30-10.30am on Wed work. 9(2)(a) – can we book rooms to host in both Auckland and Wellington + a zoom connection for those that want to dial in virtually
Thanks John

From: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Sent: Friday, 12 February 2021 9:24 AM

To: Sylvie Ots 9(2)(a)@dia.govt.nz>

Cc: 9(2)(a)@deloitte.co.nz>; Tan, John <9(2)(a)@deloitte.co.nz>

Subject: [EXT] RE: Organising a workshop next week for three waters reform programme

Hi Sylvie

Just got off the phone with Nick as I'm aware he has a fully day commitment on Thursday. Wednesday morning 8.30am to 10.30am seems like the time that could work for all of us. Would you be able to put a hold in Michael, Phil and Nick's diaries for this slot please and remove the Thursday morning one? 9(2)(a) /John would you and team be able to make this work? If not I'm afraid we'll need to look at something for the following week as there's no other time slot available next week.

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)

From: Sylvie Ots <9(2)(a)@dia.govt.nz>

Sent: Thursday, 11 February 2021 1:56 PM

To: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Cc: 9(2)(a) (NZ - Wellington) <9(2)(a)@deloitte.co.nz>

Subject: Organising a workshop next week for three waters reform programme

Hi Sam,

I have now sent through the placeholder (highlighted in yellow in my email below) to Nick Davis, Phillip Eyles and Michael Chatterley.

Please let me know once the calendar request for the actual meeting has been sent out and I will delete the placeholder.

Warm regards,
Sylvie

From: Sylvie Ots

Sent: Thursday, 11 February 2021 1:44 PM

To: Michael Chatterley <9(2)(a)@dia.govt.nz>; Phillip Eyles <9(2)(a)@dia.govt.nz>; Nick Davis <9(2)(a)@dia.govt.nz>

Cc: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>; 9(2)(a) (NZ - Wellington) <9(2)(a)@deloitte.co.nz>

Subject: Organising a workshop next week for three waters reform programme

Hi Nick, Phillip and Michael,

Sam Ponniah has asked me to find a time in all your diaries for a workshop next week.

Details:

- Workshop purpose – to support the economic impact analysis Deloitte are undertaking
- Date – either next Weds 17th or Thurs 18th
- Duration – 2.5 hours

I've had a look at your diaries and Thursday (18th) looks clear for you all until 1.00pm.

*Wednesday looks very busy, meetings-wise, for both Nick and Michael.

I will send through a placeholder now, to block out time as I'm not sure when exactly Sam will book the meeting.

Sylvie

From: Sam Ponniah

Sent: Thursday, 11 February 2021 12:05 PM

To: Sylvie Ots <9(2)(a)@dia.govt.nz>

Cc: 9(2)(a)@deloitte.co.nz

Subject: Organising a workshop next week for three waters reform programme

Hi Sylvie

Would you be able to help 9(2)(a) (copied) with organizing a time for a workshop next week? We need help from someone within DIA with access to people's calendars. This workshop will be to support the

economic impact analysis Deloitte are undertaking.

Relevant people from DIA who will need to be involved are Phillip Eyles, Nick Davis and Michael Chatterley.

At present it seems like next Wednesday/Thursday would be the most desirable days. Would you be able to help us find a 2.5 hour slot that fits in with people's diaries?

Appreciate this might be a challenge with diaries but do your best and if needed we can talk to Nick about whether there are other meetings that can be rescheduled as this is a high priority.

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)



		Level 16, AIG Building, 41 Shortland St, Auckland Level 1, City Chambers, Cnr Johnston & Featherston Sts, Wellington
--	--	-------------------------------------------------------------------------------------------------------------------------------------------------------------

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From: [Dent, Alan](#)
To: [Sam Ponniah](#)
Cc: [Tan, John](#); 9(2)(a); 9(2)(a)
Subject: RE:Formatting/presentation
Date: Friday, 12 February 2021 5:20:44 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)

Hi Sam

Thanks for this. A few comments

- Wellington Water was a “slip of the mouse” – this was meant to be Watercare
- We are kicking off a project Monday jointly commissioned by Wellington Water and its Consulting Engineer panel looking at capacity/constraints re Wellington Water’s work programme so without betraying confidences that should provide useful insight from a local perspective
- We saw the conversation with Water NZ fleshing out the workforce/labour side of things – the senior management question is an interesting one as there is a risk of some capability being lost in the near term as the sector gets disrupted through the reform process
- We were keen to discuss with you thoughts re the appropriate Peak bodies.

Speak next week

Kind Regards

Alan Dent

Partner | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

D: 9(2)(a) | M: 9(2)(a) | O: 9(2)(a) | F: 9(2)(a)

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From: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Sent: Friday, 12 February 2021 4:47 PM

To: Dent, Alan <9(2)(a)@deloitte.co.nz>

Cc: Tan, John <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>

Subject: [EXT] RE: Formatting/presentation

Kia ora Alan

Thanks for this, agree on the importance of getting this underway.

The interviewees you've identified as first order make sense to me. I'd be interested in why you've gone with Wellington Water over Watercare – not that I have any firm views either way. And also who are the peak bodies you are thinking of?

My main comment is that I do think we're a little light on the workforce / labour market implications. Conscious we have an extensive list already but I'd suggest speaking to the Water NZ training development manager (Mumtaz) and/or possibly Connexis who are the ITO. My initial set of questions would be around:

- What are the current opportunities and challenges to building the capability and capacity of the workforce (i.e. thinking about skills development, attracting young talent, talent from offshore)?
- What are the career options/pathways that exist currently?
- What changes would be required to build the kind of labour market that would support the reforms? In particular thinking about New Zealand's capacity to support a senior management / governance talent pool for 3-5 entities as well as the other specialist roles that would likely be created as a result
- What is the role for Government within this?

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)

From: Dent, Alan <9(2)(a)@deloitte.co.nz>

Sent: Friday, 12 February 2021 2:46 PM

To: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Cc: Tan, John <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>

Subject: FW: Formatting/presentation

Hi Sam

Please find attached a 1st cut of a structure for the Affected Industries process. The entities in bold for the "First Order" interviews are those I think we would want to talk to. The others are optional but not key I think.

We would expect to only reach out to a limited number of the "Second Order" interviewees and would decide on these in discussion with you.

Have a look and then let's discuss.

We are keen to get this part of the process underway.

Kind Regards

Alan Dent

Partner | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

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From: [Dent, Alan](#)
To: [Sam Ponniah](#)
Cc: [Tan, John](#); 9(2)(a)
Subject: RE:Formatting/presentation
Date: Friday, 12 February 2021 5:24:06 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)

Of course – we will agree all comms protocols with you
Cheers
Alan

From: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>
Sent: Friday, 12 February 2021 4:55 PM
To: Dent, Alan <9(2)(a)@deloitte.co.nz>
Cc: Tan, John <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>

Subject: [EXT] RE: Formatting/presentation

Sorry one more thing – with Water NZ I would like to make the introduction and explain the purpose of the work before you interview her if that's ok (can explain context when we next meet but sure you'll appreciate the stakeholder dynamics). Will do this next Monday

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)

From: Sam Ponniah
Sent: Friday, 12 February 2021 4:47 PM
To: Dent, Alan <9(2)(a)@deloitte.co.nz>
Cc: Tan, John 9(2)(a)@deloitte.co.nz; 9(2)(a) <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>

Subject: RE: Formatting/presentation

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- What is the role for Government within this?

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Sam

From: Dent, Alan <9(2)(a)@deloitte.co.nz>
Sent: Friday, 12 February 2021 2:46 PM

To: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Cc: Tan, John <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>; 9(2)(a) <9(2)(a)@deloitte.co.nz>

Subject: FW: Formatting/presentation

Hi Sam

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Have a look and then let’s discuss.

We are keen to get this part of the process underway.

Kind Regards

Alan Dent

Partner | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

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From: [Dent, Alan](#)
To: [Sam Ponniah](#)
Cc: [Tan, John](#); 9(2)(a)
Subject: FW: Formatting/presentation
Date: Friday, 12 February 2021 2:47:13 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[Affected Industries Workstreams \(002\).pptx](#)

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Affected Industries Workstreams

February 2021

Overview

1 Overview

- Key is to align this process with how we are thinking about the economic impact assessment
- In particular what considered to be the major drivers of the economic impact and what does the related modelling indicate in terms of affected industries
- At a high level it will be useful to have a sense of the overall structure of the affected industries

First Order Interviews

2 First Order Interviewees

The first order interviews are intended to:

- Efficiently establish a base of information as a start point
- Identify significant gaps/areas of uncertainty to address by widening the group of interviewees
- Validate the information sought through the interview process
- Suggested interviewees:
 - SOLGM
 - Infracom
 - Watercare
 - Wellington Water
 - Peak bodies
 - Beca
 - Water NZ
 - International experience (Deloitte, WICS, other)

Second Order Interviewees

3 Second Order

Second order interviewees are identified as parties who can deepen the understanding of potential industry responses and could include:

Consultants e.g.

- PDP
- WSP (Opus)
- Aecom
- Stantec
- GHD
- Harrison & Grierson

Contractors/Service providers e.g.

- Veolia
- Fulton Hogan
- Downer
- City Care
- Other

Suppliers e.g.

- Hynds
- MD Filtration Technology

Questions/Topics

4 A broad list of questions/topics could include:

A broad list of questions/topics could include:

- What industries support the delivery of water services?
- Who are these?
- How do they fit into the supply chain?
- What products and services do they bring?
- What are products and services comprised off – capital equipment? Materials? Labour?
- How are they procured currently? To what extent do TLAs currently procure services currently on a collaborative basis?
- How would they respond to increased investment in the sector?
- How would they respond to changes in the way the sector is organised as signalled by the government reform process – e.g. a move to a limited number of more specialist service providers? In particular how important would greater certainty re the scale, nature and timeline be in terms of driving investment in capability and what might that investment look like?
- What would impede/restrict the ability to respond?
- What are the constraints and what are the interdependencies?
- Where is there potential for innovation/efficiency? What could those gains look like?
- What drives innovation currently? Customer demands? Suppliers? Overseas parents or associates? Professional communities domestically/internationally
- What are pre-conditions that would need to be met to capture gains?
- Are there issues with industry “structure” that are an impediment?
- Would the proposed reforms impact industry structure? What is the potential for new entrants?
- What new services might emerge – and who would provide?
- To what extent is greater collaboration needed? What might that collaboration look like (workforce development, investment in capital equipment etc)? Could the water reforms be a catalyst for that collaboration?
- What role could government play in facilitating industry development?



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From: [Tan, John](#)
To: [Sam Ponniah](#)
Cc: [Dent, Alan](#); 9(2)(a)
Subject: Amended Contract
Date: Monday, 15 February 2021 11:13:37 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[DIA CSO - Deloitte v2.docx](#)

Hi Sam

Please find attached a version of the contract with some proposed changes marked up, principally as follows:

- Administrative details completed
- Deliverables/milestones aligned with our proposed milestones and some minor changes to intermediate dates, but not the overall delivery date
- Fee assumptions updated to reflect a fixed fee arrangement and milestone billing, assuming satisfactory progress on the milestones scheduled
- Some additional clauses included in Schedule 2 as a result of our legal review

Please let me know if you wish to discuss any of the attached or if you are able to execute on this basis

Kind Regards

John

John Tan

Partner | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

D: 9(2)(a) | M: 9(2)(a) | O: 9(2)(a) | F: 9(2)(a)

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From: [Dent, Alan](#)
To: [Sam Ponniah](#)
Cc: 9(2)(a)
Subject: RE:Affected Industries
Date: Monday, 15 February 2021 2:33:25 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[DIA Contacts.xlsx](#)
[Affected Industries Workstreams \(002\) \(002\).pptx](#)

Hi Sam

I have updated the PowerPoint document to incorporate your feedback on the questions plus clarify who we would like to talk to soonest. I have also attached a contact list that we will update as we gather details.

It would be helpful if we could get underway with discussions with Water NZ and Taituara (SOLGM) ideally this week.

Kind Regards

Alan Dent

Partner | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

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Contacts

Organisation	Contact	Contact Details
---------------------	----------------	------------------------

Government

CIP
Infracom

9(2)(a)

Peak Bodies

Water NZ
SOLGM
Connexis
Engineering NZ
Infrastructure NZ

9(2)(a)

Consulting Engineers

Beca
PDP
WSP (OPUS)
Stantec
Harrison and Grierson
Lutra

9(2)(a)

Service Providers

Downer
Veolia
Fulton Hogan
City Care Water
Wellington Water
Watercare

9(2)(a)

Suppliers

Hynds
Humes
MD Filtration
Ixom NZ

9(2)(a)

From: [Tan, John](#)
To: [Sam Ponniah](#); [Dent, Alan](#)
Cc: 9(2)(a)
Subject: RE:Draft Economic Impact Assessment Report (002).pptx
Date: Monday, 15 February 2021 3:45:52 pm

Hi Sam

I have received feedback on the contract from our legal team, as we normally contract under the AOG contract rather than the GMC. I will forward some proposed additional clauses for your consideration today

John

From: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Sent: Monday, 15 February 2021 3:22 PM

To: Dent, Alan <9(2)(a)@deloitte.co.nz>

Cc: 9(2)(a) <9(2)(a)@deloitte.co.nz>; Tan, John <9(2)(a)@deloitte.co.nz>

Subject: [EXT] RE: Draft Economic Impact Assessment Report (002).pptx

Thanks Alan, we'll consider and send through some feedback. One of my primary areas of interest will be in aligning the taxonomy of impacts with the RIA as much as possible - which as you say will evolve as we move forward.

Ah yes the familiar feeling of level 3 - I wish I could say it gets easier each time!

Can I also check where we're at in terms of the contract? If you're able to sign and send this back to us to execute that would be much appreciated.

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)

-----Original Message-----

From: Dent, Alan <9(2)(a)@deloitte.co.nz>

Sent: Monday, 15 February 2021 11:56 AM

To: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Cc: 9(2)(a) <9(2)(a)@deloitte.co.nz>; Tan, John <9(2)(a)@deloitte.co.nz>

Subject: RE:Draft Economic Impact Assessment Report (002).pptx

Hi Sam

I have attached a first cut of a suggested report structure for your review. While this will evolve we are keen that we structure our reporting in a way that fits neatly into your wider processes.

The team here is working on the document we are looking to send out in advance of Wednesday's workshop to make sure we get the greatest benefit from what will be an important session.

I will come back this afternoon with an updated document re the Affected Industries engagement picking up on the points that you fed back on Friday.

Hopefully Level 3 is impacting you too much - something that I am sure you could have done without!

Kind Regards

Alan Dent

Partner | Corporate Finance
Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

D: 9(2)(a) | M: 9(2)(a) | O: 9(2)(a) | F: 9(2)(a)

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From: 9(2)(a)
To: [Sam Ponniah](#)
Cc: [Tan, John](#); [Dent, Alan](#); 9(2)(a); [Nick Davis](#)
Subject: Three Waters Reform: Deloitte Status update
Date: Tuesday, 16 February 2021 12:46:54 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[Deloitte - three waters status update 150221.pdf](#)

Hi Sam,

Hope are well in the 2nd day of the new lockdown.

I've attached our status update for this week. I'm planning to send the status update to you on a weekly basis; on a Tuesday around midday. Please let me know if you want to schedule a short 15-minute meeting on a weekly basis to go through the status update and next steps.

We are all looking forward to the workshop tomorrow.

Best,

9(2)(a)

Director | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

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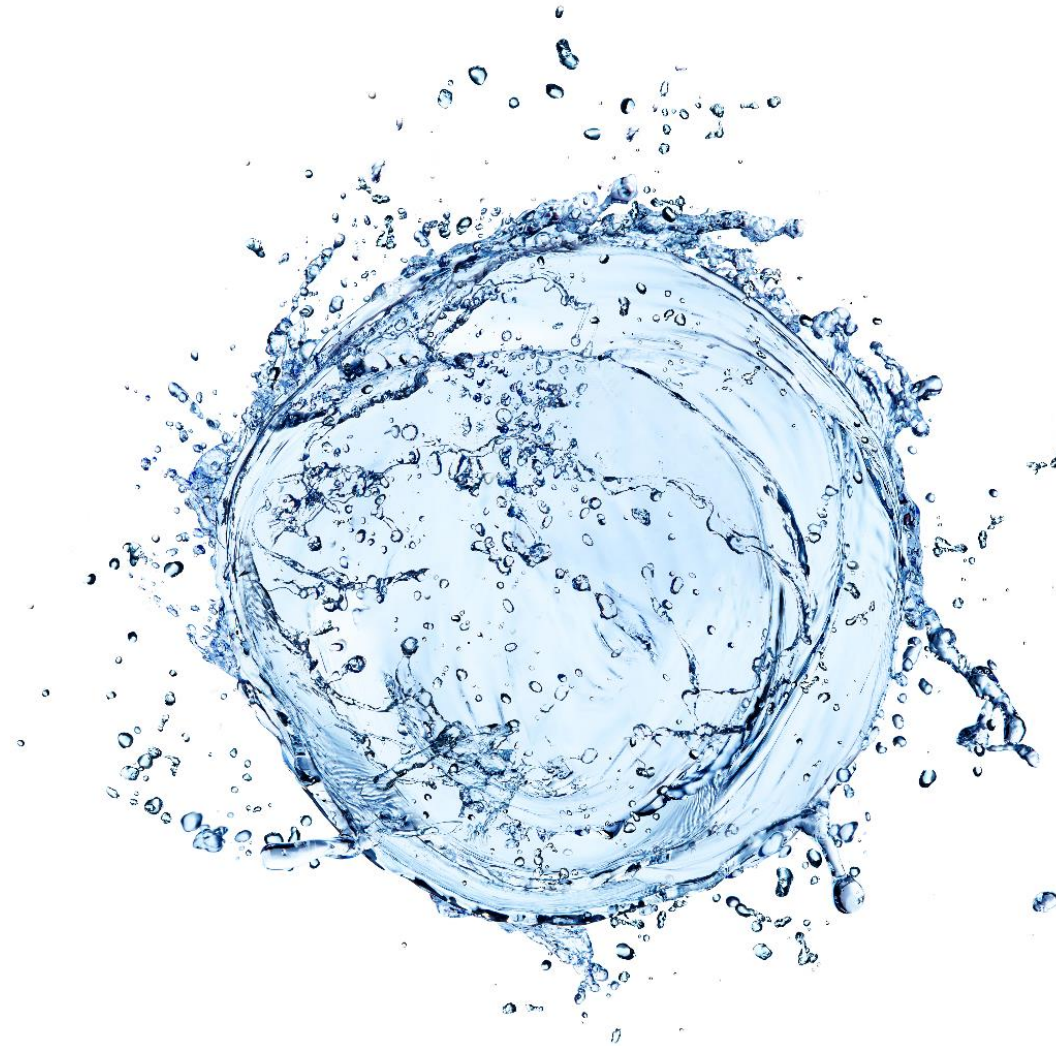
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Three Waters Reform Status Update

DEPARTMENT OF INTERNAL AFFAIRS
15 FEBRUARY 2021

Status update

Commentary

We're excited to have kicked off this project and are looking forward to working with you. Over the past week, we have focused on the economic impact workstream, including holding conversations with Mafic and WICS to understand how their work can best feed into our modelling.

Our other key focus has been on organising and developing content for our workshop on 17 February. It is important we define and agree on the scenarios to be modelled, as well as the key assumptions behind them, during this workshop. This will help us get started on the CGE modelling, so we can meet our deadlines. We also developed a draft stakeholder engagement plan and proposed report structure, which we have shared with you.

Deliverables / Milestones	Status	Indicative Due Date
Project Inception Meeting	Complete	5 & 10 February
Draft methodology and key information requirements	In progress	22 February
Data collection and model design	In progress	22 February
Agreed methodology, scenario and sensitivity definition, and confirmation of key assumptions	In progress	22 February
Economic modelling	To do	16 March
Draft economic impact analysis	In progress	19 March
Stakeholder consultation	In progress	Ongoing
Draft industry development study	To do	22 March
Final report on economic impact analysis and industry development study	To do	2 April

Status	
Overall	On track
Budget	\$19,795 excl. GST, disbursements and MBIE 1% admin fee

Work completed last fortnight	Activities this week
<p>Work completed for 09 to 12 Feb</p> <ul style="list-style-type: none"> Held project inception meeting to agree key milestones, workstreams and project reporting. Held conversations with Mafic and WICS to understand their work and how it will feed into ours. Held conversation with Nick Davis to cover proposed workstreams, workshop and potential stakeholders to interview. Developed workshop content for 17 February. Set up project management and reporting structures, as well as information sharing structures. Began to customise the CGE model, and understand information and data available. Shared our draft stakeholder engagement plan and proposed report structure. 	<p>Work planned for 15 to 19 Feb</p> <ul style="list-style-type: none"> Hold conversation with EY to understand how their work will feed into ours. Prepare for and hold workshop on 17 February, primarily to agree scenarios and assumptions for modelling. Customise the CGE model and develop the model construct to estimate the impact on a TA level, outside of the CGE model where required. Draft the modelling methodology. Set up interviews with key stakeholders to understand the impact of the reforms, and develop interview questions. Begin desktop research to understand the current state of affected industries. Begin to populate the draft report with sections that can be drafted now.

From: [Tan, John](#)
To: [Sam Ponniah](#)
Subject: Draft workshop slides for tomorrow
Date: Tuesday, 16 February 2021 11:29:17 am
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[Three waters economic impact workshop.pdf](#)

Hi Sam

Attached are the draft workshop slides for tomorrow. Are you ok if we distribute this to the wider group?

Thanks John

John Tan

Partner | Corporate Finance

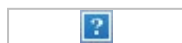
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From: [Tan, John](#)
To: 9(2)(a); [Dent, Alan](#); [Tan, John](#); 9(2)(a);
9(2)(a); [Sam Ponniah](#); 9(2)(a); [@nz.ey.com](#); 9(2)(a); [@dia.govt.nz](#); 9(2)(a);
9(2)(a); [@dia.govt.nz](#); [Nick Davis](#); 9(2)(a); [@dia.govt.nz](#); [Sylvie Ots](#); 9(2)(a); [@dia.govt.nz](#)
Subject: RE:DIA three waters reform economic impact analysis workshop
Date: Tuesday, 16 February 2021 12:43:03 pm
Attachments: [image003.png](#)
[Three waters economic impact workshop.pdf](#)

Hi All

Please find attached the workshop slides for tomorrow's workshop. The key objective is to ensure alignment between DIA and its advisors on scenario definitions, key assumptions and narrative to ensure that the various workstreams come together efficiently in the RIS. We have a meeting room booked at Deloitte in Wellington (suitably spaced out) for those in Wellington that wish to attend in person. Otherwise, please use the zoom link below to join in

We look forward to your participation tomorrow

John

9(2)(a)

-----Original Appointment-----

From: 9(2)(a) @deloitte.co.nz>
Sent: Thursday, 11 February 2021 2:00 PM
To: 9(2)(a); [Dent, Alan](#); [Tan, John](#); 9(2)(a);
9(2)(a); 9(2)(a) @martinjenkins.co.nz; 9(2)(a) @nz.ey.com;
9(2)(a) @dia.govt.nz; 9(2)(a) @martinjenkins.co.nz; 9(2)(a) @dia.govt.nz;
9(2)(a) @martinjenkins.co.nz; 9(2)(a) @dia.govt.nz; [Sylvie Ots](#);
9(2)(a) @dia.govt.nz

Subject: DIA three waters reform economic impact analysis workshop

When: Wednesday, 17 February 2021 8:30 AM-10:30 AM (UTC+12:00) Auckland, Wellington.

Where: Deloitte Wellington L12, 20 Customhouse Quay ;

<https://deloitte.zoom.us/j/95728265604?pwd=S2hZNUtITHdSTGIBVktONTMrMEpnUT09>

Aucklanders to join remotely due to lockdown



[Join Meeting](#)

Password: 049626

Phone one-tap: US: [+12133388477..95728265604#.....049626](tel:+1213338847795728265604#049626) or
[+13126266799..95728265604#.....049626](tel:+1312626679995728265604#049626)

Join by Telephone

Dial:

US: +1 213 338 8477 or +1 312 626 6799 or +1 646 518 9805 or +1
720 928 9299

Meeting ID: 957 2826 5604

Password: 049626

International numbers

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From: [Tan, John](#)
To: [Sam Ponniah](#); 9(2)(a)
Subject: RE:Three Waters reform - other modelling streams
Date: Tuesday, 16 February 2021 10:07:13 am

Thanks Sam

This will be useful for our discussion tomorrow.

John

From: Sam Ponniah 9(2)(a) @martinjenkins.co.nz>
Sent: Tuesday, 16 February 2021 9:01 AM
To: Tan, John <9(2)(a) @deloitte.co.nz>; 9(2)(a) <9(2)(a) @deloitte.co.nz>
Subject: [EXT] RE: Three Waters reform - other modelling streams

Hi John and 9(2)(a)

We've had Mafic now update the attached assumptions table. I've attached for your reference so you can align with the other workstreams.

Note that we are just working through what assumptions to use for interest and inflation rates

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)

From: Sam Ponniah
Sent: Wednesday, 10 February 2021 11:18 AM
To: Tan, John <9(2)(a) @deloitte.co.nz>; 9(2)(a) <9(2)(a) @deloitte.co.nz>
Subject: Three Waters reform - other modelling streams

Hi John and 9(2)(a)

Just sharing a couple background slides ahead of potential meetings with the various workstreams. The first is the approach that MAFIC are taking to modelling the position of water service entities, the second is the assumptions underpinning the WICS and EY work (MAFIC is in the process of adding to this). Keen to ensure there is a common approach across the workstreams so would be good to align in terms of interest rates, inflation etc.

I'll also give you access to the WICS phase 1 models through onedrive to give you an idea of how these were set up, with the caveat that this won't be exactly the same in phase 2.

Cheers

Sam

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From: [Dent, Alan](#)
To: [Sam Ponniah](#)
Cc: 9(2)(a)
Subject: RE:Affected Industries
Date: Tuesday, 16 February 2021 12:47:50 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)

Hi Sam

That sounds good. We know Jon Butler and recently worked with Infracom to undertake a COVID-19 recovery study of the infrastructure-related construction sector. The report is available on our website on the ICP homepage – I'm happy to share if this is of interest.

Cheers

Alan

From: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Sent: Tuesday, 16 February 2021 12:37 PM

To: Dent, Alan <9(2)(a)@deloitte.co.nz>

Cc: 9(2)(a) 9(2)(a)@deloitte.co.nz

Subject: [EXT] RE: RE:Affected Industries

Hi Alan

Happy for you to get started with contacting the first set of stakeholders identified, namely:

- **Watercare**
- **Peak bodies – Taituara, Water NZ**
- **Beca**
- **International experience (Deloitte, WICS, other)**

Nick thought Infracom would be good to speak to as well. They've recently developed a state of the sector report on Water which is due to be published soon and will have views on which other stakeholders would be worth approaching. Jon Butler (9(2)(a)@infracom.govt.nz) was involved in that work and is the strategy manager so would be a good first port of call. Can we include them in the primary list above?

In terms of next steps I can send an introductory email to each of the above by the end of today and you can take it from there?

Some other thoughts from Nick for the longer list:

- Infrastructure NZ should be near the top of the list too.
- As well as industry groups and suppliers, we need to make sure we cover off labour representative organisations. There will probably be several unions / contractor organisations in the sector.
- Taumata Arowai would be good to talk to as well

I've also checked internally and the following peak bodies have been on our comms list (we haven't been communicating proactively with them but they do receive updates from us). Not suggesting we contact each of these but just so you are aware and for us to have a base to work off:

- Water NZ
- Infrastructure NZ
- Engineering NZ
- IPWEA
- Civil Contractors NZ
- Irrigation New Zealand
- Federated Farmers
- NZ Milking and Pumping Trade Assn & Technology Training Centre Ltd

- Property Council of NZ
- Business NZ
- Local Government Business Forum
- Consumer NZ
- Grey Power NZ Federation Inc
- Disabled Persons Assembly NZ
- Forest and Bird
- Land and Water Forum
- Environment Institute of Australia & New Zealand
- Milford Wairau Estuary Environment Preservation Society (Milford WEEPS)
- Tourism Industry Aotearoa

Let's regroup after you've completed those initial interviews to confirm next steps including who else you think there would be value in speaking with.

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)

From: Dent, Alan <9(2)(a)@deloitte.co.nz>

Sent: Monday, 15 February 2021 2:32 PM

To: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Cc: 9(2)(a) <9(2)(a)@deloitte.co.nz>

Subject: RE:Affected Industries

Hi Sam

I have updated the PowerPoint document to incorporate your feedback on the questions plus clarify who we would like to talk to soonest. I have also attached a contact list that we will update as we gather details.

It would be helpful if we could get underway with discussions with Water NZ and Taituara (SOLGM) ideally this week.

Kind Regards

Alan Dent

Partner | Corporate Finance

Deloitte

Level 12, 20 Customhouse Quay, PO Box 1990, Wellington 6140, New Zealand

D: 9(2)(a) | M: 9(2)(a) | O: 9(2)(a) | F: 9(2)(a)

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From: [Dent, Alan](#)
To: [Sam Ponniah](#)
Subject: RE:FW: Seeking input into study of industry implications of the three waters reform programme
Date: Wednesday, 17 February 2021 7:36:51 am
Attachments: [image001.jpg](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)

I will thanks Sam

Sent from my iPad

On 17/02/2021, at 7:33 AM, Sam Ponniah
<[9\(2\)\(a\)](#)> @martinjenkins.co.nz wrote:

Hi Alan, would you like to take it from here? Or I could send the statement of work if that helps.

Sam Ponniah | Senior Consultant

MartinJenkins

M [9\(2\)\(a\)](#) T [9\(2\)\(a\)](#)

From: Jon Butler [9\(2\)\(a\)](#) @infracom.govt.nz>

Sent: Tuesday, 16 February 2021 6:04 PM

To: Sam Ponniah <[9\(2\)\(a\)](#) @martinjenkins.co.nz>; Dent, Alan
<[9\(2\)\(a\)](#) @deloitte.co.nz>

Cc: Rob Addison <[9\(2\)\(a\)](#) @infracom.govt.nz>

Subject: RE: Seeking input into study of industry implications of the three waters reform programme

Hi Sam, Alan

Thanks for getting in touch. Really great to hear from you both and I'm happy to help in anyway I can.

Please could you send me some more information about the study and I'll put you in touch with the right person to talk to at Infracom.

Best regards

Jon

<image001.jpg>

Jon Butler | Strategy Manager | **New Zealand Infrastructure Commission, Te Waihangā** |

Phone: [9\(2\)\(a\)](#) | **Email:** [9\(2\)\(a\)](#) @infracom.govt.nz

Visit us online at <https://infracom.govt.nz/>

From: Sam Ponniah <[9\(2\)\(a\)](#) @martinjenkins.co.nz>

Sent: Tuesday, 16 February 2021 2:14 pm

To: Jon Butler <[9\(2\)\(a\)](#) @infracom.govt.nz>

Cc: Dent, Alan <[9\(2\)\(a\)](#) @deloitte.co.nz>

Subject: Seeking input into study of industry implications of the three waters reform programme

Kia ora Jon

I trust you are well.

We have recently procured the services of Deloitte to undertake an economic impact assessment of the proposed reform, including a parallel study of the implications for affected industries and workforce.

A key part of this work will be engaging with affected industries to understand the potential impacts of reform. We are keen to capture insights and experiences from you in relation to the implications of the reform programme on the sector, including considerations relevant to the workforce and affected industries. Keen to also tie in with the work you've been doing on the water sector recently and any intel you've gathered through that process or key contacts you would recommend we speak with.

Alan Dent from Deloitte (copied into this email) will be in touch shortly to schedule a catch up on this at your earliest convenience.

Thank you in advance for your participation in this study.

Ngā mihi

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a)

T 9(2)(a)

[<image002.png>](#) [<image003.png>](#) [<image004.png>](#)

[<image005.png>](#)

[Level 16, AIG Building, 41 Shortland St. Auckland](#)

[<image006.png>](#)

[Level 1, City Chambers, Cnr Johnston & Featherston Sts. Wellington](#)

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From: [Dent, Alan](#)
To: [Sam Ponniah](#)
Subject: RE:Seeking input into study of industry implications of the three waters reform programme
Date: Wednesday, 17 February 2021 3:00:48 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Hi Sam

Re the 1st point almost certainly a competence issue on my part so will re try. Out of scope
[REDACTED] so am sure we will navigate to someone who can help.
The Infra NZ was really in response to your email – wasn't quite sure if you were suggesting a preference to bring into the 1st group – happy to hold off
Yes the team here will reflect on the session today and play back a revised deck – if not today then certainly by tomorrow.

Cheers

Alan

From: Sam Ponniah <[9\(2\)\(a\)](#)<[REDACTED]@martinjenkins.co.nz>>
Sent: Wednesday, 17 February 2021 2:37 PM
To: Dent, Alan <[9\(2\)\(a\)](#)<[REDACTED]@deloitte.co.nz>>
Subject: [EXT] RE: Seeking input into study of industry implications of the three waters reform programme

Hi Alan

No I haven't had any issues with his email, not sure what's going on there. Do you have another contact at Watercare that you could approach?
On Infrastructure NZ I thought the intention was to consider them as part of the second set of stakeholders? If not, happy for you to reach out direct in the interests of time
Yes it was a good session this morning thanks to you and the team for pulling that material together and taking us through. Is the intention to circulate a revised methodology capturing the decisions made so we can confirm this and agree next steps?

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M [9\(2\)\(a\)](#)<[REDACTED]> T [9\(2\)\(a\)](#)<[REDACTED]>

From: Dent, Alan <[9\(2\)\(a\)](#)<[REDACTED]@deloitte.co.nz>>
Sent: Wednesday, 17 February 2021 1:58 PM
To: Sam Ponniah <[9\(2\)\(a\)](#)<[REDACTED]@martinjenkins.co.nz>>
Subject: RE:Seeking input into study of industry implications of the three waters reform programme

Sam

When I tried to email Carl I got a bounce-back. Did you?
Also, are you happy for us to reach out to Infrastructure NZ direct or did you want to make the 1st approach?
I thought today's session was helpful – but let John/me know if there were any issues/concerns at your end.

Cheers

Alan

From: Sam Ponniah <[9\(2\)\(a\)](#)<[REDACTED]@martinjenkins.co.nz>>

Sent: Tuesday, 16 February 2021 2:14 PM

To: 9(2)(a) @watercare.co.nz

Cc: Dent, Alan <9(2)(a)@deloitte.co.nz>

Subject: [EXT] Seeking input into study of industry implications of the three waters reform programme

Kia ora Carl

I trust you are well.

We have recently procured the services of Deloitte to undertake an economic impact assessment of the proposed reform, including a parallel study of the implications for affected industries and workforce.

A key part of this work will be engaging with affected industries to understand the potential impacts of reform. We are keen to capture insights and experiences from you in relation to the implications of the reform programme on the sector, including considerations relevant to the workforce and affected industries.

Alan Dent from Deloitte (copied into this email) will be in touch shortly to schedule a catch up on this at your earliest convenience.

Thank you in advance for your participation in this study.

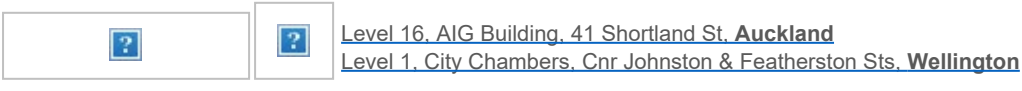
Ngā mihi

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)



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From: 9(2)(a)
To: [Sam Ponniah](#)
Cc: 9(2)(a); [Tan, John](#)
Subject: RE:Weekly meeting with Deloitte
Date: Monday, 22 February 2021 1:20:12 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Thanks Sam.

Calendars tomorrow aren't great, but we could do anytime between 10 and 12:30 on Wednesday if that suits you?

I'll go ahead and set up Tuesday 11:30 meetings from next week onwards.

Cheers

9(2)(a)

[Redacted]

Analyst | Corporate Finance

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From: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Sent: Monday, 22 February 2021 11:38 AM

To: 9(2)(a) <9(2)(a)@deloitte.co.nz>

Subject: [EXT] RE: Weekly meeting with Deloitte

Hi 9(2)(a),

Yes Tuesdays 11.30 suits most weeks. I have an appointment tomorrow between 11 and 12 so could we do something in the afternoon tomorrow before 3? Otherwise I'm all clear for 11.30 in subsequent weeks

Cheers

Sam

Sam Ponniah | Senior Consultant

MartinJenkins

M 9(2)(a) T 9(2)(a)

From: 9(2)(a) <9(2)(a)@deloitte.co.nz>

Sent: Monday, 22 February 2021 11:31 AM

To: Sam Ponniah <9(2)(a)@martinjenkins.co.nz>

Subject: Weekly meeting with Deloitte

Hi Sam

I think John had mentioned setting up a weekly 30 min check-in with yourself and the Deloitte

team.

Would Tuesdays at 11:30 suit you?

Cheers

9(2)(a)

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From: 9(2)(a)
To: [Sam Ponniah](#)
Subject: Weekly meeting with Deloitte
Date: Monday, 22 February 2021 11:31:58 am
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Hi Sam

I think John had mentioned setting up a weekly 30 min check-in with yourself and the Deloitte team.

Would Tuesdays at 11:30 suit you?

Cheers

9(2)(a)

Analyst | Corporate Finance

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From: [Tan, John](#)
To: [Sam Ponniah](#)
Cc: [Dent, Alan](#); 9(2)(a); 9(2)(a)
Subject: Status Update + Draft Methodology Paper
Date: Tuesday, 23 February 2021 2:47:46 pm
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[Deloitte - three waters status update 190221.pptx](#)
[Three waters economic impact methodology paper v1.0.pdf](#)

Sam

Please find attached a current status update + draft methodology paper, which we can run through tomorrow

We are keen to confirm the status of when we will receive input from WICS and EY and to a certain extent Mafic, which is shortly going to make it to our critical path in terms of timeline to deliver by our target milestone dates (see p17 of the methodology pack for what we are expecting from advisors). There are also a few things on that slide that we are keen to understand whether DIA has access to the relevant analysis

If you are happy with the draft methodology paper – we can distribute to the workshop participants.

In the meantime, we continue to make good progress on the CGE model structure.

John

John Tan

Partner | Corporate Finance
Deloitte

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Three Waters Reform Status Update

DEPARTMENT OF INTERNAL AFFAIRS
19 FEBRUARY 2021

Status update

Commentary

We appreciate your time and participation at the economic impact workshop on 17 February – this was a very useful session which will help us customise our CGE model. **However, if we are to meet current timelines of a final report on 2 April, we need to receive all data from EY, WICS and Mafic by the end of this week.** Modelling will take three weeks from the time data is received. In the meantime, we will develop a framework outside of the CGE model to estimate the impact on urban/provincial/rural areas, and begin report drafting.

This week, we also kicked off the affected industries workstream, including identifying first and second order interviewees, developing questions, and interviewing Watercare. We have a number of interviews scheduled, which will provide a useful information base, identify any areas of uncertainty which need to be addressed, and help to identify additional interviewees.

Deliverables / Milestones	Status	Indicative Due Date
Project Inception Meeting	Complete	5 & 10 February
Draft methodology and key information requirements	Complete	17 February
Data collection and model design	In progress	22 February
Agreed methodology, scenario and sensitivity definition, and confirmation of key assumptions	In progress	22 February 23 February
Economic modelling	In progress	16 March
Draft economic impact analysis	To do	19 March
Stakeholder consultation	In progress	Ongoing
Draft industry development study	To do	22 March
Final report on economic impact analysis and industry development study	To do	2 April

Status

Overall	On track
Budget	On track

Work completed last fortnight

Work completed for 15 to 19 Feb

- Held conversation with EY to understand how their work will feed into ours.
- Prepared for and held workshop on 17 February to agree scenarios and assumptions for modelling.
- Pulled together our methodology paper, based on discussion at the workshop on 17 February.
- Set up interviews with key stakeholders and developed interview questions.
- Held interview with Carl Tucker from Watercare.
- Began to customise the CGE model, and understand information and data available.
- Began to develop a framework outside the CGE model to estimate the impact of the reform package across urban/provincial/rural areas.

Activities this week

Work planned for 22 to 26 Feb

- Finalise draft methodology paper.
- Confirm data interfaces with, and receive data from, EY, WICS and Mafic.
- Complete customisation of CGE model, according to the regional and sectoral boundaries agreed.
- Once data is received, refine data for CGE shocks to reflect the counterfactual and policy scenarios. We will test these with you before we model the shocks.
- Continue to develop framework to estimate the impact of the reform package across urban/provincial/rural areas.
- Begin desktop research to understand the current state of affected industries.
- Hold interviews with stakeholders.
- If needed, modify proposed report structure based on feedback from DIA.
- Populate the draft report with sections that can be drafted early, including feeding in decisions from the 17 February workshop.