
Subject: FW: Nelson Citizens Alliance - Three Waters

From: Pat Dougherty
Sent: Wednesday, 13 October 2021 11:26 am
To:
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Kia ora

I refer to your Facebook post of 10 October 2021, where your group (Nelson Citizens Alliance) claim you are presenting the real facts for Three Waters in Nelson, after receiving information obtained through a Local Government Official Information and Meetings Act 1987 (LGOIMA) request.

There appears to be some confusion about different figures, and as a result, this post is, misleading for the community. I ask that you correct this post to reflect the context that was provided to your organisation as part of this information request.

Firstly, the asset value amount (\$716m) includes accumulated depreciation. This figure represents the amount that will transfer off our balance sheet (to a new entity) should Three Waters proceed as proposed. The estimated replacement values that you have listed are what it would cost to replace these assets new and does not indicate their current value. To give an example, a ten-year-old secondhand car might cost \$50,000 new if you were to replace the car. That doesn't mean that the secondhand car is worth \$50,000, because the car is now ten years old.

Secondly, your post seems to suggest that the debt figure we have given our community, which is the figure at the proposed date of transfer, is incorrect and that the true figure is \$39.3m. Council provided the \$39.3m figure to the DIA as this was the debt as at **30 June 2020**. Council reported total Three Waters debt of \$48,335,000 as at **30 June 2021**, which is anticipated to increase to \$81,497,000 by **30 June 2024** according to the Long Term Plan 2021-31. The different financial years account for the different levels of actual and projected debt. All figures are correct, but the debt at the proposed date of transfer is the information that we provided to our community, as this is when this amount will move off our balance sheet should Three Waters reform proceed as proposed.

Lastly, by providing the revenue, expenditure and surplus figures without context, you imply that these assets deliver a surplus to Nelsonians, this is not the case. As was made clear in the information request response, there is no surplus returned to ratepayers as a "rates rebate". This is because the expenditure figure you are quoting doesn't include the asset's high depreciation cost. Three waters infrastructure provide essential services for our community, the activities are run in such a way that the funding via rates and water charges is budgeted to match the expected expenditure requirements, they don't make a profit.

If you are supportive of clear and transparent information being provided to the public, can you please ensure that your social media post is amended.

Because of the high level of public interest in these matters we will be publishing our full response to the LGOIMA request on our website. All personal details will be redacted.

Ngā mihi

Pat Dougherty
Chief Executive | Tumuaki