



15 December 2022

Micky Turner
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Tēnā koe Micky

Your Official Information Act request, reference OIA2223-0064

Thank you for your email of 22 July 2022 to the Department of Internal Affairs (the Department), requesting the following information under the Official Information Act 1982 (the Act):

“1. All written communication between DIA & Deloitte regarding Three Waters.

Of particular interest is communication regarding this report:

[https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/deloitte-report-industry-development-study-&-economic-impact-assessment.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/deloitte-report-industry-development-study-&-economic-impact-assessment.pdf)”

On 5 August 2022, you refined your request to be for the following;

“all written communication, between DIA & Deloitte regarding the following report; [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/deloitte-report-industry-development-study-&-economic-impact-assessment.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/deloitte-report-industry-development-study-&-economic-impact-assessment.pdf)”

On 2 September 2022 the Department extended the time to respond to your request by 20 working days to 30 September 2022, under section 15A(1)(b) of the Act. On 3 October 2022, the Department advised that a decision had been made on your request.

I sincerely apologise for the time it has taken to respond to you. After further evaluation we have been decided that the initial decision that was communicated to you on 3 October 2022, was not sufficient to satisfy your request. The Department is currently working to collate and assess the email correspondence with Deloitte in relation to the *Industry Development Study & Economic Impact Assessment*. There is a large amount of information in scope of your request. We currently estimate there to be around 400 emails in scope, however, this could change through further scoping. We intend to release these emails to you in tranches, which may have some information withheld. Please see below for a summary timeline of the events in the development of the report.

From December 2019 to January 2020, the Department ran a competitive procurement process in which six suppliers were invited to bid for the work. An assessment panel comprised of representatives from the Department, Treasury, LGNZ and Taituarā reviewed proposals and selected a preferred supplier based on an agreed evaluation framework.

Please see below for the timeline of events relating to correspondence between Deloitte and the Department. This is based on the key milestones and engagement which occurred throughout the development of the 'Industry Development Study & Economic Impact Assessment' report via email correspondence and meetings. Specifically, the engagements with industry representatives were meetings while the discussion around the draft and final reports were a mixture of meetings and email correspondence.

- 5 February 2020 – A start-up meeting was held between the Department and Deloitte for the purpose of discussing the project, process and key milestones. Through this meeting the project was set up and key points of engagement were established.
- Mid-February 2020 - Discussions held between Deloitte and Ernest Young, Mafic and Water Infrastructure Commission of Scotland on their respective modelling contributions to the three waters reform programme. This was to ensure modelling for the policy programme was being undertaken in a consistent way and on a consistent set of assumptions.
- 17 February 2020 – A workshop was held between Deloitte and Department officials to discuss and agree on scope and parameters for analysis.
- February and March 2020 - Deloitte undertook engagement with industry representatives including Taituarā and Water NZ to understand the potential implications of reform on affected industries. These engagements informed the affected industries section of the report. The list of organisations engaged in this period is listed on Appendix C of Deloitte's Industry Development Study & Economic Impact Assessment.
- 11 March 2020 – A workshop was held between Deloitte and Department officials on the scenarios for economic modelling. They discussed and agreed on the key elements of the scenarios (for example, costs and levels of investment) and sensitivity analysis to be undertaken. Assumptions and parameters underpinning Deloitte's dynamic model itself were not discussed or altered as these are proprietary.
- Mid-April 2020 – Draft report and findings were provided by Deloitte to the Department for feedback.
- 27 and 28 April 2020 – A presentation of the results were given to the Joint Central-Local Government Steering Group and technical reference group for feedback.
- End of April 2020 – the final report was provided to the Department.
- May 2020 – The Summary A3 was developed and published alongside final report.

Nāku noa, nā



Rashad Saeedi

**Manager, Ministerial Services
Three Waters Reform Programme**