

From: [Official Information](#)
To: [REDACTED]
Cc: [Official Information](#)
Subject: Final response - LGOIMA 469717 - [REDACTED] - Proposed Water CCO - Establishment Cost Estimate
Date: Wednesday, 30 April 2025 7:44:29 am
Attachments: [image001.png](#)
[image002.jpg](#)
[image003.jpg](#)

Kia ora,

We refer to your information request below. Hamilton City Council provides the following response.

Your request:

I observed a reference to a debt funded water CCO establishment cost of \$6M in the "What's next for Water" consultation document (on page 8).

I tried, without any success, to find out the makeup of the cost estimate in the draft annual plan for 2025/26. Are you able to point me in the right direction from an accounting perspective?

I thought there would need to be a special provision in the AP because it involves a reasonable sum; but have I got this wrong?

Our response:

An initial estimate of \$6 million for Hamilton City Council, for establishment of a Joint waters CCO was indicated to Elected Members through various Council reports and included in Hamilton City Council's **What's next for Water** consultation document. Establishment costs will be debt funded and will be transferred to the CCO on commencement.

Provision for increased debt associated with establishment costs was included in Hamilton City Council's Net Debt figure of its draft Annual Plan presented at the 11 February Council Meeting, which you can find here: <https://hamilton.govt.nz/your-council/meetings/calendar/detail/ordinary-council-202501040930>

The figure was an estimate. A more detailed budget is being worked through, and will be included in the final Annual Plan Budget (again in the Net Debt figures),

The initial estimate was made up of things such as:

- \$3.1 million operating costs, including staff salaries (with core staff expected to be transferred from respective Council's to the CCO). This also includes recruitment of a Board of Directors and Chief Executive.
- \$1.7 million set up of IT environment.
- \$1.2 million legal fees and other costs relating to due diligence, the sale and purchase agreement, novation of contracts, transfer of assets and debt, and the transfer of staff.

Note, the Council resolved not to consult on the Annual Plan 2025 – 26, rather just the waters decisions.

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

Ngaa mihi

Keeley Faulkner

Official Information Advisor & Legal Support Officer

Legal services

Governance & Assurance Team | Partnerships, communication & Maaori

Email: officialinformation@hcc.govt.nz



Hamilton City Council | Private Bag 3010 | Hamilton 3240 | www.hamilton.govt.nz



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I support flexibility at work. While it suits me to send this email now, I don't expect a response outside of your own working hours.

From: [REDACTED]

Sent: Sunday, 30 March 2025 6:34 pm

To: [REDACTED]

Subject: Proposed Water CCO - Establishment Cost Estimate

Hi [REDACTED]

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Kind Regards

[REDACTED]