

# Questions and Answers

## Te Kaunihera o Pōneke | Council

### 31 March 2022

#### 3.1 Mana Whenua Partnership Agreement: Tākai Here

Page 7- Can there be an explanation and an update on conversations regarding the town belt being significant to both parties please?

Council worked with mana whenua to develop the Wellington Town Belt Act 2016 and subsequent Town Belt Management Plan that was adopted in 2018. The Management Plan includes principles, objectives and policies to guide our ongoing partnership with mana whenua and their involvement in the management of the Town Belt. This includes a commitment to an annual review, reporting and work planning meeting between mana whenua and Officers [Wellington Town Belt Management Plan](#) (section 2.8 to 3.2 (page 26 to 30)).

In practice, these discussions have been more reactive and ad-hoc and have focused on major changes proposed within the Wellington Town Belt as well as engagement around leasing and licencing. Since the adoption of the Management Plan in 2018 the way in which we have worked together around Wellington Town Belt management has changed as Council's broader relationship with mana whenua has evolved and changed. With the recent changes in Maataho Aronui and the renewed focus on our Te Tiriti partnership we are seeing positive changes in this regard and are now meeting with both Taranaki Whānui and Ngāti Toa Rangatira 4-6 weekly to discuss strategic priorities and other matters of mutual interest. As an example, most recently PSR presented on the Open Spaces and Recreation and Biodiversity strategies, and the Green Network and Community Facilities Plans, the outcome of which is that there will be a wider w-ānanga with Taranaki Whānui members to seek their input.

## 3.2 Wellington Water – Overspend and Options

Answers from WWL staff in italics, answers from WCC staff are not italicised.

When did WWL start using the adjusted budget shown at the 23 March 2022 Pūroro Waihanga | Infrastructure meeting?

*We haven't been using the "adjusted budget". These figures were prepared to illustrate the levels of spending on opex based on council's LTP budget. The intention of this was to demonstrate the gap in funding between the LTP budget, and the actual cost of reactive work plus the proposed cost of proactive work that Wellington Water was asked to do. The gap is the reason for the request for additional funding from the Stimulus funding budget.*

*The purpose of putting these figures together in this way was to help explain what the expenditure for each area of opex (reactive and proactive) would look like if we stayed within the LTP budget and carried out reactive work as it arose. We would then only be able to apply what was left over to planned maintenance and Monitoring & Investigations.*

*It was also intended to show that so far, we haven't done all the planned work expected, so the LTP budget has not been overspent. There is a full year overspend forecast, however, as a result of emergency work undertaken.*

Was the adjusted budget presented to the WWL executive leadership team, WWL Board or Wellington Water Committee?

*No, as per above, it was put together for the WCC council meeting to illustrate what the LTP-compliant areas of expenditure would be.*

How widely used was the adjusted budget across WWL? (Are there internal documents referring to it for example.)

*We haven't been using this budget.*

On 23 March 2022 the WWL CEO stated that there was never any intention to cut the budget for reactive maintenance. Is there any evidence to support this statement?

*The forecasts we've provided each month (in the finance dashboards) show the expected level of reactive maintenance spend.*

Why did the adjusted budget contain significantly lower spending on proactive maintenance and network assessment than was indicated in the original budget?

*As per above. The "adjusted budget" was intended to illustrate the current situation within the constraints of the LTP budget. Taking the actual amount of reactive work off the LTP budget leaves a significantly lower amount to spend on proactive maintenance and network assessment.*

*As noted at the meeting, at the beginning of the LTP period we signalled that planned maintenance was an important activity (along with the renewals programme), in order to address the ageing network and reactive nature of the work. The WWL CEO acknowledged in the meeting that the way we explained this may have caused confusion and apologised for giving the wrong impression.*

It was my understanding that additional opex was provided through the LTP for these specific line items. When was a decision made not to deliver those increases?

*There was a decision made to carry out this work, but this was made before we provided a revised budget for the likely cost of reactive work for the year. No decision has been made as yet not to carry*

*out this work, and they will be carried out to the best of our ability in the remaining quarter of the financial year if the additional funding is approved. If the recommendation to provide extra funding is not approved, then these activities will not be carried out.*

Were WCC staff notified of the plan to deliver less proactive maintenance and network assessment? What proactive maintenance and network assessment was originally planned to deliver that has not been delivered due to this adjusted budget?

*There hasn't been a decision to do this. This option was provided to Council in February, as a way to stay within the LTP budget; that is, if extra funding is not approved.*

When did WWL request shifting the stimulus funding from Karori renewals to reactive maintenance?

*March 2021.*

I understand WCC staff refused that request at the time. Can you give us some more information about why that was refused and what additional information was requested at that time?

Reasons given to WWL by WCC:

- Request by WWL to reallocated stimulus funding to BAU capex did not include any detail of the risks around displacing capex projects, nor what those projects might be – WCC officers could not provide advice to Elected Members without this kind of detail.
- For the FY21/22, WCC could not propose a change to opex budgets without a detailed analysis and explanation of the exact purpose of the funding requirement.

Are there internal WWL documents referring to this request to reallocate funding after WCC staff refused this request?

*There is a memo to WCC from WWL in September and a further memo in November 2021, both raising the issue of a forecast opex overspend.*

Did WWL continue to assume that this reallocation would be possible despite WCC staff refusal?

*After the response to the request of reallocation, Wellington Water were left in a position where the expected level of delivery was above the level of funding and this is reflected in the subsequent monthly forecasts. We have planned proactive work in the event the additional funding would be approved, but this has not yet been carried out.*

Have the Karori renewals been delivered?

*Yes.*

Could you also please find out more about what the Chair of the WWL Board mean by the comment that some WWL decisions were made “based on assurances given by WCC staff”?

To be answered at the meeting.

What was originally planned for the Govt stimulus funding?

Refer Stimulus Funding delivery plan circulated to all Councillors on 21<sup>st</sup> March 2022.

How much of the overspend can be attributed to storm and flooding events or is it more about the general failure of assets?

*The forecast costs, as at the end of January, include \$1.3m of costs associated with storm events that had occurred to that point. Of this \$0.7m relates to a slip above SH2 which impacted a wastewater pipeline and the remainder is costs incurred in maintenance and repair of the stormwater network following events, and costs associated with the response to the events themselves. Further costs have been incurred with events in subsequent months.*

In the Wellington Water Committee Paper, WWL identifies that they should be doing \$10m of asset assessment per year based on the value of their assets, but that they are only funded for \$2.5m per year. If we increased the budgets to WWL recommended level, would they be able to deliver those asset assessments in the field given resource constraints?

*We have taken a series of papers to the Water Committee on asset condition assessment, and in November 2021 confirmed to the Water Committee that in our professional opinion the optimum level of asset condition assessment for the size of the asset base that we manage on behalf of our owners is \$10M per annum. We were not asked to provide detail on when an annual programme of this scale could be delivered.*

*To note, this figure is based on our understanding of the asset types and their current state (e.g. age, material) with reference to the experience we have gained from the VHCA programme. In order to deliver a \$10M per annum programme would require the development of inhouse and external capability. We do know that the VHCA programme has stretched the country's current capability and all involved with this programme have benefitted from the work in terms of learnings. To estimate how long this lift in capability would take, would require discussions with the external providers about their current constraints. This has not yet been done.*

Can you provide a detailed breakdown of what the OPEX spend has been (both reactive and preventative) to date?

*Refer next page.*

\$000		2021/22 YTD Budget (A)	2021/22 YTD Actual (B)	Variance (B - A)
<b>Treatment Plant</b>				
	Wastewater			
	Treatment Plant	9,209	9,270	61
<b>Reactive Maintenance</b>				
	Drinking Water			
	Network	2,327	3,370	1,043
	Pump Stations	67	61	-5
	Storage	50	99	49
	Control Systems	4	1	-3
	Storm Water			
	Network	384	666	282
	Investigations	36	0	-36
	Pump Stations	22	17	-5
	Control Systems	0	1	0
	Wastewater			
	Network	946	1,489	544
	Investigations	56	0	-56
	Pump Stations	333	361	27
	Control Systems	1	1	-1
<b>Planned Maintenance</b>				
	Drinking Water			
	Network	778	302	-476
	Monitoring	200	0	-200
	Pump Stations	53	74	21
	Storage	187	86	-100
	Utilities	237	60	-177
	Control Systems	150	54	-96
	Storm Water			
	Network	822	369	-453
	Control Systems	17	15	-2
	Wastewater			
	Network	173	84	-89
	Pump Stations	252	239	-12
	Control Systems	73	61	-12
<b>Monitoring &amp; Investigations</b>				
	Drinking Water			
	Investigations	585	144	-441
	Monitoring	534	309	-225
	Storage	67	28	-39
	Storm Water			
	Investigations	380	229	-151
	Monitoring	372	200	-173
	Wastewater			
	Treatment Plant	67	117	50
	Investigations	878	365	-514
	Monitoring	382	320	-62
	Drainage Investigation	280	93	-187
<b>Management &amp; Advisory Services</b>				
	Drinking Water			
	Management & Advisory Services	1,086	1,086	0
	Storm Water			
	Management & Advisory Services	543	543	0
	Wastewater			
	Management & Advisory Services	1,992	1,992	0
<b>Significant Event</b>				
	Drinking Water			
	Network	-	10	10
	Storm Water			
	Network	-	649	649
	Wastewater			
	Network	-	736	736
<b>Total Opex</b>		<b>23,543</b>	<b>23,503</b>	<b>-40</b>

Opex Spend vs budget to end  
February 2022

### 3.3 Use of levels 3 and 4 Te Matapihi

Would it be possible to include the Office of the Mayor in the accommodations on Level 3 of Te Matapihi, so that the mayor and deputy mayor would be co-located with the rest of the councillors?

It is possible to accommodate the Mayor's office on level 3 of Te Matapihi – noting that, subject to design, it is likely that this would leave limited space (approximately 500sqm) on that level for Council office workspace thus adding to our overall accommodation costs.

Do we know whether any other councils in the country have the Office of the Mayor located in a separate building from the rest of the councillors?

Of the larger Councils, it would appear that Dunedin is the only one where the Office of the Mayor is located in a separate building (Town Hall) to the Councillors.

What was the history and reasoning for the original decision to locate the Office of the Mayor in the Town Hall separate from the rest of the councillors?

Prior to the Town Hall's closure, the Mayor's Office and Council Chamber was located in the Town Hall with the Committee Rooms and Councillor space being located in MOB. At the time the Town Hall refurbishment project was being scoped the thinking was that this arrangement could be reinstated (noting that the intention was that MOB/CAB would be retained and refurbished following the completion of the Town Hall). The intention to include the Mayor's office in the refurbished Town Hall was included in the Town Hall Strengthening Business Case – this was approved by the City Strategy Committee Meeting of 22 June 2017 and subsequently approved by Council 28 June 2017.

What would be the process to agree a change to the Town Hall layout that repurposed the space allocated for the Office of the Mayor to another purpose?

The design for the fitout of the Mayor's Office space within the Town Hall has been completed, in addition some base build changes in relation to building services have been made to accommodate the office. Any change to the use of the space would require a new fitout design which in turn would need to be incorporated into the wider works programme – the impacts of this on the project timeline and cost would need to be assessed, a variation to the main construction contract may also be required.

Given that the original business case agreed by Council clearly indicate that the Mayor's Office would be located in the refurbished Town Hall, any variation to this would need a new Council resolution.

How many square meters of does Tahiwi do we currently lease and how many people per square meter as a rule of thumb?

Council leases 9600sqm at Tahiwi. The average, within the workspace areas, would be 10-12sqm per person.

How many people can be housed on levels 3 and 4?

Once the floor plates are extended, they could house approximately 120 people per floor – this is on the basis that no specialised functions were being accommodated such as Committee Rooms, or a meeting room suite (i.e. level 16 Tahiwi) etc.

What is the long term plan for the corporate part of the council?

The Council resolution that the 'main Wellington City Council premises are returned to Te Ngākau as part of its redevelopment' means that any future planning for Council's corporate accommodation needs to include options available in Te Ngākau. The most suitable option to accommodate Council would be a development on the MOB/CAB site – the earliest this would be available would be 2028.

Has there been any analysis on how much disruption there might be due to the separation of the parts of the organisation?

No specific analysis has been undertaken, however our corporate office functions have been operating across multiple sites since the 2016 Kaikoura earthquake. We are currently operating across 2 sites at 113 The Terrace and 79 Boulcott St.

To some degree Council is already operating in a hybrid working style, and is looking at ways to further embrace a way of working that supports a blend of in-office, remote and on the go workers – this style of working can be easily accommodated across different sites.

### 3.4 Government Approval for a District Plan Streamlined Planning Process

Two of the most contested issues in the draft District Plan have been the extent of character precincts in inner city suburbs and the inclusion of significant natural areas on private land. Are these issues covered by the government mandated priority process (the ISPP) or are they covered in the remainder of the plan that councillors could choose to fast track?

- Both of these topics must follow the government mandated ISPP process. This is because they are 'qualifying matters' for the purpose of the NPS-UD.
- Other topics in the mandated ISPP process include:
  - The identification and upzoning around rapid transit stops
  - Upzoning of at least 6 storeys of the city centre and metropolitan centre zones
  - Heritage
  - Natural hazards
  - Three waters/stormwater provisions

If councillors chose to use the fast track SPP process for the remainder of the plan, would the public have any further opportunities to provide feedback on the proposed District Plan?

- The public will have the opportunity to:
  - make two submissions (one submission and a further submission in support or opposition to others).
  - Present and speak to an independent hearings panel about their submission.
- There is also the opportunity for mediation (dispute resolution and agreement) between submitters where a negotiated position can be reached after submissions have been lodged.
- The benefit of using the SPP and ISPP together is that consultation can carry on as one cohesive exercise.

The paper states that a number of climate friendly proposals in the district plan are not covered by the government mandated fast track process (the ISPP). Given the intensification proposals will go through the ISSP fast track process, if those climate friendly proposals were not fast tracked what would be the potential time delay between the intensification provisions becoming operative and these climate friendly provisions becoming operative?

The ISPP provisions will be operative in approximately 1.5 years from July. The time delay for other provisions would come with appeals to the environment court. Environment court appeals can take 3 to 5 years to resolve. Until appeals are resolved, provisions are not operative.



How will the Three Waters/ Wellington Water status report of our pipes and the ability to cope with the potential outcomes of being able to progress the draft district plan faster?

What is the strategy to cope with this?

Upzoning needed to address the city's housing needs, implement policy 3 of the NPS-UD (eg, 6 storey areas) and the new Medium Density Residential Standards (MDRS) is all part of the ISPP. Council is required to use this process as a result of the Governments RMA changes.

Work is ongoing to align the funding and provision of infrastructure with growth. Investment to support new development needs to be funded through Council's LTPs and continue to (and ramp up) as part of the 2024 LTP. The next Infrastructure Strategy that will be developed alongside the LTP will set out a strategy for the next 30 years of investment required.

The PDP will have a three waters chapter that will require new development to either be connected to services or it has a council/WWL approved alternative (part of the ISPP).

We haven't set the final proposals for the PDP yet so how will we know if this is the right process or not, one that is of particular concern for example Storm Water - retention and neutrality?

- Note that Officers are making a recommendation on process, not policy.
- Councillors still have the ability to make decisions on plan policy and content.
- The process contains further opportunities for submissions to be made and recommendations by independent hearings panel to be made.
- Officers are providing updates to the District Plan Councillor Working Group on topics raised by submissions on the Draft District Plan, and seeking direction from Councillors on these issues. In April and May a number of Working Group sessions being organised to assist with this process. These changes will be included in the Committee report on 23 June 2022 when you will be asked to approve the District Plan for notification. This will be the beginning of the statutory process.
- With respect to the identified topic of Storm Water this topic is required to be in the ISPP as set out in the Governments RMA changes.
- The draft District Plan already requires stormwater neutrality. Further work is underway with consultants on 'stormwater positive outcomes' and will be brought back to the working group for a direction.

As an example can you explain how the SSP process will be positively and negatively impact the stormwater proposals when we don't know what they are yet?

- That topic is required to be addressed in the ISPP.

What are the examples of typical groups that do go to the Environment court process? Can you give a list and the time and cost involved in the last DP process?

- Under a traditional schedule 1 plan change process any person can lodge an appeal to the Environment Court. This can and has included community groups, government departments (eg Kainga ora), infrastructure providers (eg, transpower) and Councils themselves.

- The vast majority of disputes between parties do not go to environment court for resolution and are settled through mediation.
- We do not have to hand the costs of appeals to previous plan changes. However, it is not uncommon for appeals to total in the tens to hundreds of thousands of dollars cumulatively, and significant officer time, depending on scale and extent of legal involvement.

Can you please provide 2 recent examples and outcomes of when groups have been to the Environment Court over DP issues?

- Plan Change 72 - Medium Density Residential Area. The Johnsonville Community Association appealed this proposed zoning. The Environment Court supported WCCs position with some minor changes made to the zone boundary.
- Plan Change 80 - Curtis Street Business Area. The land was rezoned from residential and open space to business area. The Cresswick Valley Residents Association opposed this proposed zoning for the site. The Environment Court supported WCCs position.

Why was the ISSP process for the whole PDP not granted by the Select committee of the RMA bill?

- We do not know the exact reasons why the Select Committee came to their conclusion. We understand that the ISPP was not designed with full plan reviews in mind.

Are there any examples and outcomes of other significant councils having to go through a split PDP process?

- No other councils to our knowledge are having to work their PDP through a split process because of the Governments RMA changes.
- All other plan reviews to date have been undertaken:
  - entirely through a traditional schedule 1 process
  - on a rolling review basis (like WCC to date) or
  - reviewed in entirety through a legislated independent panel process (Auckland Unitary Plan)

How long are we expecting for an answer on the SSP process?

- We hope to receive an answer from the Minister for the Environment before June 23, when Council will be asked to approve the PDP for notification.
- Conversations with MfE officials have noted the importance of making an application as soon as possible to enable officials to assess it and provide advice to the Minister.

37 b) - Please can you give another explanation on this? Why is it beneficial to have the plan content resolved before the acts come into force?

- Having plan content resolved before the Council transition to one Natural and Built Environment Plan for the entire region (as is the Government's proposal) would put Wellington City in a good position to influence the policy direction of the new regional plan.

S4 of the report says, “This extensive community involvement to date is incorporated into the District Plan to be notified and goes some way to addressing potential criticism of using an SPP process. It is on this basis that the recommended approach is considered reasonable and appropriate to consider”. It seems impossible to agree or disagree with this without knowing what is in the PDP. Can Council Officers say more about how to understand this statement?

- Significant consultation has been undertaken throughout the duration of the Planning for Growth programme including the spatial plan and the draft district plan, which took direction from the spatial plan. Consultation on both documents has addressed key topics of interest for the community such as character and intensification. Officers are working through submissions on the Draft District Plan to inform refinements for the notified proposed plan, but there is nothing to suggest that fundamental change to the approach to growth or strategic direction of the plan should change, other than refinements to make provisions more workable.

Is the split plan truly unworkable?

It's not unworkable however the longer that multiple planning documents need to be understood, weighted and considered increases difficulty for people to engage in the resource consent process and increases time and cost. This is what a SPP and ISPP process would help avoid.

Has a fast-tracked plan ever happened before in NZ? If not, what assurance can you give us that what you say will happen will actually happen?

The Auckland Unitary Plan is the closest to a fast tracked plan in NZ. This combined 12 different district plans into one.

- It was notified for submissions in September 2013.
- Hearings were held September 2014-May 2016.
- Recommendations from the independent hearings panel were received in July 2016, Council decisions followed.
- November 2016 – the Auckland unitary plan was operative in part

Can we have an independent planner perspective for the meeting please?

We don't consider this is necessary. The decision at hand is one of process. Officers have outlined the pros and cons of the options available.

## 4.1.1 Report of the Pūroro Tahua | Finance and Performance Committee Meeting of 17 March 2022: Development Contributions Policy Report Back on Consultation and Final Version for Approval

How come non-residential activity does not pay towards growth related community infrastructure by way of DCs, but non-residential activity does pay for community related infrastructure by way of general rates?

It is possible to charge non-residential developments for community infrastructure and reserves under the DC Policy. This was reintroduced in legislation in 2019.

However, the DC Policy has clear limits in how it can be applied. It must be able to show a clear link between a development and the need for additional infrastructure in relation to that development. It's a question of being able to demonstrate causality.

The current update to the DC policy does not include any non-residential activity contributions towards community infrastructure, but this could change at the next review which is scheduled to run concurrently with the 2024 LTP.

Considering Council received submissions on inner city reserves, is it possible to make it clearer in the DC Policy that DCs can be collected for community infrastructure and reserves?

Yes. The following statements in the document "There are no community infrastructure charges for non-residential development (Page 43) and "There are no reserves charges for non-residential development (Page 45)" are statements reflecting that there currently are no charges – they are not policy or legislative positions. These have not been chargeable from 2014 – 2019 and the assessment was made in the calculation of DC charges that these were primarily resulting from the impact of residential growth rather than non-residential growth at the time.

We can make that clearer as part of the publication process and recommend that an amended substantive is moved as follows to allow for that:

*Amendment:*

*Note that when assessing the impact of growth in creating demand for new capital assets such as inner-city reserves, the impact of non-residential and residential growth will be taken into account.*

Why do the growth numbers for reserves not include year's 11–30 CBD reserves?

The scope of this DC Policy review was narrow and focused on including the 21 LTP budget (10 years) in the DC schedule, with a more fulsome review scheduled as part of the 2024 LTP. CBD reserves will be captured in the DC Policy schedule then.

Additionally, the funding included in the LTP (years 11-47) for CBD reserves are 'funding provisions only, and more detail on specific asset requirements are needed before they can be included in the DC Policy. Staff are working on the Green Network Plan Implementation Plan (scheduled for 2022) and this document will give us the necessary detail to include it in the DC Policy in the future.

S201A LGA is clear. The policy must include a schedule setting out;

- a) each new asset, additional asset, asset of increased capacity, or programme of works for which the development contributions requirements are intended to be used or have already been used; and

- b) the estimated capital cost of each asset; and
- c) the proportion of the capital cost that the Council proposes to recover through development contributions.

At this stage we do not have the estimated capital cost of each asset linked to the Yrs 11 – 30 funding for reserves in the LTP in sufficient detail so cannot calculate at this point the share attributable to growth, which parties are giving rise the need for those assets and the relevant DC charge.

We need this level of detail as we cannot overcharge for DCs, we must apply it to the asset within 10 years or are liable for refund DCs.

[Does this mean we are under-collecting for CBD reserves?](#)

No. The CBD reserves programme will be included in the DC Policy in 2024 and this will allow for DC charges to be collected.

When the DC fee is calculated it continues to be collected till the value assessed as attributable to growth is collected.

[How much of the growth components are allocated for green belt and/or greenfield?](#)

In the town belt activity there has been a 6.8% growth allocation attributed to these projects added in the LTP. This is in-line with the 6% allocated in previous LTP iterations of the policy and this is calculated from population growth assumptions.

[The numbers for growth infrastructure look small city-wide, but larger catchment by catchment – why is this?](#)

This is because we have a good understanding where the growth and resulting infrastructure is planned to occur by which catchment and are therefore able to charge those who are the creators of the growth infrastructure.

Brand new infrastructure is generally more expensive than growth costs allocated to renewal projects which can answer the question on why citywide increases are lower than catchment.

[Under transport bus priority planning has essentially nothing for growth, and new roads is only \\$8.2m out of \\$45.4m \(and these are new roads\). Why is this?](#)

Transport Bus priority planning has signalled a 10% allocation of growth on these new projects and new roads cover both.

In terms of new road – the majority of these are occurring in catchment areas and their costs will be collected on the catchment charge basis – depending on project varying from 24%-88% for the city-wide contribution projects we also need to account for the NZTA contribution so that must come of the project cost before we then allocate the budgeted growth factor.