
**ORDINARY MEETING
OF
PŪRORO WAIHANGA - INFRASTRUCTURE COMMITTEE
AGENDA**

Time: 9:30am
Date: Thursday, 12 August 2021
Venue: Ngake (16.09)
Level 16, Tahiwi
113 The Terrace
Wellington

MEMBERSHIP

Mayor Foster
Deputy Mayor Free
Councillor Calvert
Councillor Condie (Deputy Chair)
Councillor Day
Councillor Fitzsimons
Councillor Foon
Liz Kelly
Councillor Matthews
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Rush (Chair)
Councillor Sparrow
Councillor Woolf
Councillor Young

Have your say!

You can make a short presentation to the Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8334, emailing public.participation@wcc.govt.nz or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

AREA OF FOCUS

The Pūroro Waihanga | Infrastructure Committee has the following responsibilities:

- Council Infrastructure and infrastructure strategy, including:
 - Transport
 - Waste
 - Water (three waters)
 - Council property (buildings)
 - Relationships with other non-council infrastructure.
- The Road Corridor
- 30-year infrastructure strategy
- Asset management plans
- Capital Works Programme Delivery, including CCO's and Wellington Water Limited
- capital works programmes
- Three waters reform.

The Committee has the responsibility to discuss and approve a forward agenda.

To read the full delegations of this committee, please visit wellington.govt.nz/meetings.

Quorum: 9 members

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

Whakataka te hau ki te uru,	Cease oh winds of the west
Whakataka te hau ki te tonga.	and of the south
Kia mākinakina ki uta,	Let the bracing breezes flow,
Kia mātaratara ki tai.	over the land and the sea.
E hī ake ana te atākura.	Let the red-tipped dawn come
He tio, he huka, he hauhū.	with a sharpened edge, a touch of frost,
Tihei Mauri Ora!	a promise of a glorious day

At the appropriate time, the following karakia will be read to close the meeting.

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana, te wairua	Draw on the supreme sacredness
I te ara takatū	To clear, to free the heart, the body
Koia rā e Rongo, whakairia ake ki runga	and the spirit of mankind
Kia wātea, kia wātea	Oh Rongo, above (symbol of peace)
Āe rā, kua wātea!	Let this all be done in unity

1.2 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.3 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.4 Confirmation of Minutes

The minutes of the meeting held on 23 June 2021 will be put to the Pūroro Waihanga | Infrastructure Committee for confirmation.

1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows.

Matters Requiring Urgent Attention as Determined by Resolution of the Pūroro Waihanga | Infrastructure Committee.

The Chairperson shall state to the meeting:

-
1. The reason why the item is not on the agenda; and
 2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Pūroro Waihanga | Infrastructure Committee.

Minor Matters relating to the General Business of the Pūroro Waihanga | Infrastructure Committee.

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Pūroro Waihanga | Infrastructure Committee for further discussion.

1.6 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 31.2 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

2. General Business

THREE WATERS ASSET CONDITION ASSESSMENTS

Purpose

1. This report updates the Pūroro Waihanga | Infrastructure Committee on the condition assessments of critical three waters assets.

Recommendation/s

That the Pūroro Waihanga | Infrastructure Committee:

1. Receive the information.
2. Note that further work is required on an ongoing basis for asset condition assessments.

Background

2. The Mayoral Taskforce: Three Waters recommended that the Council, with urgency, task and fund Wellington Water Limited (WWL) to implement a plan for the inspection of critical assets across the three waters network within three years, in order to inform future investments. In March 2021 the Strategy and Policy Committee accepted this recommendation in principle, noting that it would be dependent on future funding decisions.
3. While WWL had some existing knowledge of the size of network, age, condition and location of pipes, there were gaps in that knowledge. The Council allocated an element of its share of Government reform stimulus funding to WWL in order to start to address this knowledge gap.
4. In February 2021 WWL briefed Council on the scope of the assessments to be undertaken and outlined how the information gathered might be used to inform investment decision making and prioritisation.
5. WWL was requested to report back in August 2021 to provide an update based on the assessments undertaken to date.

Discussion

6. The assessments undertaken to date have focussed on high criticality assets only. WWL advises that further work is required on an ongoing basis for asset condition assessments, and will build this into future advice for the Council.
7. A summary of the findings to date is at Attachment 1.

Next Actions

8. WWL intends to use the evidence gathered to inform asset management planning. This is an ongoing process that will feed into either the Long-term Plan 2024 or, should Government reform proceed, planning information for the new Water Service Entity.

Attachments

Attachment 1. Wellington Water - Asset Condition Assessments [!\[\]\(96cc62f861fdd6e50510c0224a756dff_img.jpg\)](#)

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Author	Mike Mendonca, Acting Chief Infrastructure Officer
Authoriser	Barbara McKerrow, Chief Executive Officer

SUPPORTING INFORMATION

Engagement and Consultation

WWL has lead on the engagement required as part of the assessments.

Treaty of Waitangi considerations

There are no additional Treaty considerations that have not already been managed through the Taskforce or through WWL's processes.

Financial implications

The findings of the assessments will inform either the Long-term Plan or the new Water Service Entity's investment profile.

Policy and legislative implications

The findings emphasise the gap between the status quo and the requirements of the National Policy Statement – Freshwater Management.

Risks / legal

Not applicable

Climate Change impact and considerations

Not applicable

Communications Plan

Not applicable

Health and Safety Impact considered

Health and safety has been managed by WWL as part of this initiative.



Very High Criticality Assets - Update



Absolutely Positively
Wellington City Council
Me Heke Ki Pōneke

Our water, our future.

What is a Very High Criticality Asset? Wellington Water

“An asset whose failure has an unacceptable and extensive impact on the livelihoods of people and our environment and where time to restore service would be greater than 1 day”

Our water, our future.

Results to date



Our water, our future.

*Poor or very poor condition assets don't always require urgent replacement or repair. Only those 'very poor' condition assets where service failure has occurred (e.g. a collapsed pipe) require urgent intervention.

Drinking Water (DW) Pipes

- Generally, the drinking water pipes we assessed are in moderate condition.
- The pipes assessed as poor or very poor condition are at or near the end of their expected life. We are investigating these for renewal.
- We have discovered some issues with valves and fittings on drinking water pipes.
- We recommend a programme of valve maintenance and replacement be put in place

Our water, our future.

Wastewater (WW) Pipes

- The wastewater pipes we assessed are in good or very good condition.
- We have discovered some issues with valves and fittings on wastewater pressure pipes that make them difficult to physically inspect.
- We are recommending these be put on a programme for maintenance and/or replacement.

Stormwater (SW) Pipes

- The stormwater pipes we assessed are in good or very good condition.

Reservoirs

- Generally, the reservoir structures are in moderate or good condition.
- We have identified some issues with the reservoir's ability to prevent contamination due to issues with the water tightness of reservoir roofs.
- Chlorine in water lessens this risk and regular testing of our network has revealed no contamination.
- However, we recommend a programme of work to address this contamination risk.

Pump stations

- Generally, the pump station assets are in moderate or good condition.
- To make pump stations easier to operate and maintain, we recommend improvements to pump station access.

Reservoirs



Our water, our future.

Only two reservoirs exhibited significant signs of structural stress. Both of these reservoirs are to be investigated to determine rehabilitation and/or renewal options.

Reservoirs



Our water, our future.

Some reservoir contamination risks can be appropriately remedied through maintenance rather than renewal.

Stormwater Pipes



Our water, our future.

An example of two very poor condition stormwater pipes. As with the reservoirs, maintenance may be possible to maintain level of service rather than renewal.

Network Valves



Our water, our future.

There have been some unforeseen difficulties with completing the programme. One major issue – the condition of wastewater and drinking water valves around our network. These are key in enabling condition assessment activities to be carried out on our pressure wastewater and water networks.

What's Next?



Our water, our future.

Current assessment results heavily dependent on skills of peer reviewing team using information to compare from around NZ as well as our own case history

This assessment programme is the largest ever completed in NZ and there is much that participants have learned about complexities completing such a programme – including unforeseen difficulties. Field assessment not yet completed but found to be far more difficult to complete than anticipated – access to network, limitations of technology used and need for more preparatory works than planned for.

Condition assessment can't be a one off exercise and we need to repeat assessments at frequencies appropriate to the age of the asset

THREE WATERS REFORM UPDATE

Purpose

1. In the coming months the Council will be required to decide on whether to support the Government's Three Waters Reform Programme. This decision will have a significant impact on both the role that Councils plays in the community and on their finances.
2. The Government has provided an 8-week period for Councils to engage with and provide feedback on local impacts to the proposed reform package. A formal Council decision on opting in or out is not required at this stage.
3. This report provides a summary of information available at this stage and next steps. Given the nature of this reform, absolute certainties of outcomes are not known at this time. Instead, the report highlights local and national features of the drivers for change, and some of the potential impacts of reform.

Summary

4. The Mayoral Taskforce: Three Waters acknowledged that the status quo for managing three waters will not serve Wellington City into the future. The Taskforce recognised the significant challenges for each of the three waters.
5. It is acknowledged that drinking water consumption must reduce however water losses across our city can not currently be measured or located, making it difficult to know where to invest.
6. Our sewerage system is designed with 70 connections to the stormwater network, and leaks to the extent that our streams do not meet acceptable standards. The Council is in breach of the conditions of the Global Stormwater Discharge Consent, and both wastewater treatment plants have been subject to RMA enforcement action in 2021.
7. Substantial investment is necessary if the City is to comply with the forthcoming National Policy Statement for Freshwater Management and the aspirations of Te Atakura – First to Zero during a period of substantial growth. This cannot be achieved without significant change.
8. While the 2021 Long-term Plan increases investment across three waters, this does not address the total renewals backlog or growth requirements, and does not solve the problem.
9. In the Taskforce report, mana whenua stated they have lost trust in the City Council, the Regional Council and Wellington Water Limited in terms of their ability to look after water assets. Mana whenua have asked for a radical and meaningful shift in the way water is managed in Wellington City.
10. At the same time, the Government is proposing to reform the three waters sector, to address national systemic underinvestment in the infrastructure, and to avoid the likely future costs of uncoordinated investment.

-
11. There is still a great degree of uncertainty as to the detail of the reforms, and the corresponding consequences for Local Government generally and Wellington City Council in particular. However, the nature of the reform indicates that significant change is imminent.
 12. The Department of Internal Affairs has provided an 8 week period for all local authorities to engage with and provide feedback on the government's reform proposal. A document provided by DIA setting out guidance for the next 8 week period is attached as Appendix 1.
 13. This is an opportunity for Wellington City Council to provide sector leadership, in the context of the reforms and the findings of the Mayoral Taskforce.

Recommendation/s

That the Pūroro Waihanga | Infrastructure Committee:

1. Receives the information.
2. Notes that major change is required for three waters management, even if reform does not proceed.
3. Notes that Water Reform oversight is included in the Terms of Reference of the Infrastructure Committee.
4. Note that further advice will be presented to the Committee in September 2021.

Background

14. The challenges with Wellington's three waters infrastructure have been well traversed in recent years. These were highlighted in the report of the Mayoral Taskforce: Three Waters, which was established to make recommendations on the management and governance of three waters in the City.
15. The Taskforce reported that Wellington City's investment in pipes has consistently been significantly lower than required. The network is deteriorating and ageing, leading to increases in pipe breakages and increasing water loss and wastewater leakage.
16. The scale of the financial challenge is very significant, and the Taskforce reported that a reset is required. The Taskforce unanimously agreed that transformational change in governance, asset ownership, funding and management is required to lift the network's performance to the level appropriate to a modern, inclusive and environmentally sustainable capital city.
17. The Taskforce recommended that the Council improve governance by committing to the concept of an independent, publicly-owned, not-for-profit water management and asset owning company that is governed and operates in accordance with a statement of intent from shareholding Councils. On 11th March 2021 the Strategy and Policy Committee accepted this recommendation, noting that the financial impact on the Council is yet to be determined.

18. The Committee also resolved to participate in the Government's reform agenda, and to work with other Councils in the Region to ensure Wellingtonians can best benefit from the reform programme.
19. In the meantime, the Council has started to respond to historic underinvestment by adopting the 'enhanced' investment option through the 2021 Long-term Plan. The increase of 10% opex and 33% capex in year one does not address the renewals backlog or growth requirements. Nor does it improve stormwater quality to the degree needed to meet the new NPS on Fresh Water as noted below.
20. While this was affordable in the context of a substantial increase in Council debt while remaining within debt limits, it was acknowledged that this level of investment would not fix the problems, and that service levels might continue to decrease, requiring increased operational responses.
21. Council's current policy and investment will not deliver the outcomes desired of Wellington's water services in the short term. The current delivery model is not fit for purpose, and if the Council does not participate in reform, significant structural change will be required.

Government Reform

22. The Government has ambitions to significantly improve the safety, quality, resilience, accessibility, and performance of three waters services, in a way that is efficient and affordable for New Zealanders.
23. In March 2021, the Government established Taumata Arowai, a new water services regulator to administer and enforce a new drinking water regulatory system, while contributing to improved environmental outcomes from wastewater and stormwater networks. Once Taumata Arowai is fully functional, it will oversee and administer an expanded and strengthened drinking water regulatory system, and oversee the environmental performance of wastewater and stormwater networks. This is expected to improve the sector's performance, and to put greater focus on infrastructure performance.
24. Councils provide three waters services to the majority (85%) of New Zealanders. This includes the infrastructure needed for the collection, storage, treatment, and reticulation of water to homes and businesses. There are 75,000-100,000 smaller private drinking water providers. The infrastructure is under extreme pressure and needs systematic reform to meet communities needs and expectations now and into the future.
25. A report by the Water Industry Commission for Scotland (WICS) estimates that New Zealand will need to invest between \$120 billion to \$185 billion in our three waters infrastructure over the next 30 years to meet drinking water and environmental standards and provide for future population growth. Without reform, these costs will be shared unevenly among New Zealand households.
26. For rural communities, this equates to an increase of up to 13 times present costs, eight times higher for provincial areas and up to seven times higher for many metropolitan

households. With reform, the cost of providing these critical services to our communities is likely to reduce substantially by between 45% to 49%.

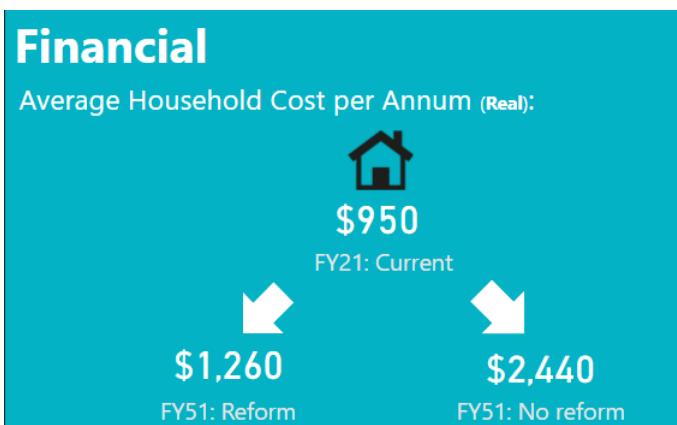
27. Reform will also improve transparency about, and accountability for, the delivery and costs of these services and uphold the Crown's Treaty of Waitangi obligations to iwi/Māori.
28. The Crown has outlined the following features to guide the design of the reform programme and operating structure.
 - Maintaining local authority ownership of water services entities.
 - Providing the necessary balance sheet separations from local authorities.
 - Protecting against privatisation.
 - An integrated regulatory system.
 - Retaining influence of local authorities and mana whenua over strategic and performance expectations.
29. The Crown is seeking to enable greater strategic influence to exercise rangatiratanga over water services delivery, ensuring;
 - Integration of iwi/Māori rights and interests within a wider system.
 - Reflection of a holistic te ao Māori perspective.
 - Supporting clear account and ensure roles, responsibilities, and accountability for the relationship with the Treaty partner.
 - Improving outcomes at a local level to enable a step change improvement in delivery of water services for iwi/Māori.
30. The Crown has committed to ensuring no Council participating in water reform is in a materially worse position financially to continue to provide services to its community as a direct result of the reform.

Water Service Entities

31. On 30th June 2021 the Government announced its intention to shape the sector around four Water Service Entities (WSEs). Wellington would belong to 'Entity C', along with 22 other Councils. The boundaries have been set with consideration of rohe/takiwā, water catchments, population, economic benefits and the needs and interests of local communities.
32. Under this model Councils would have no shareholding and no financial interest. The WSE would be independent with a competency based Board of Directors. It is intended that the entities have the scale, capacity and capability to shift the sector. It is anticipated that jobs in the sector will double.
33. A suite of mechanisms would protect Maori/iwi rights and interests, and prevent privatisation. Complementing the establishment of Taumata Arowai, an economic regulator would be appointed to protect consumer interests and to provide strong incentives for performance.



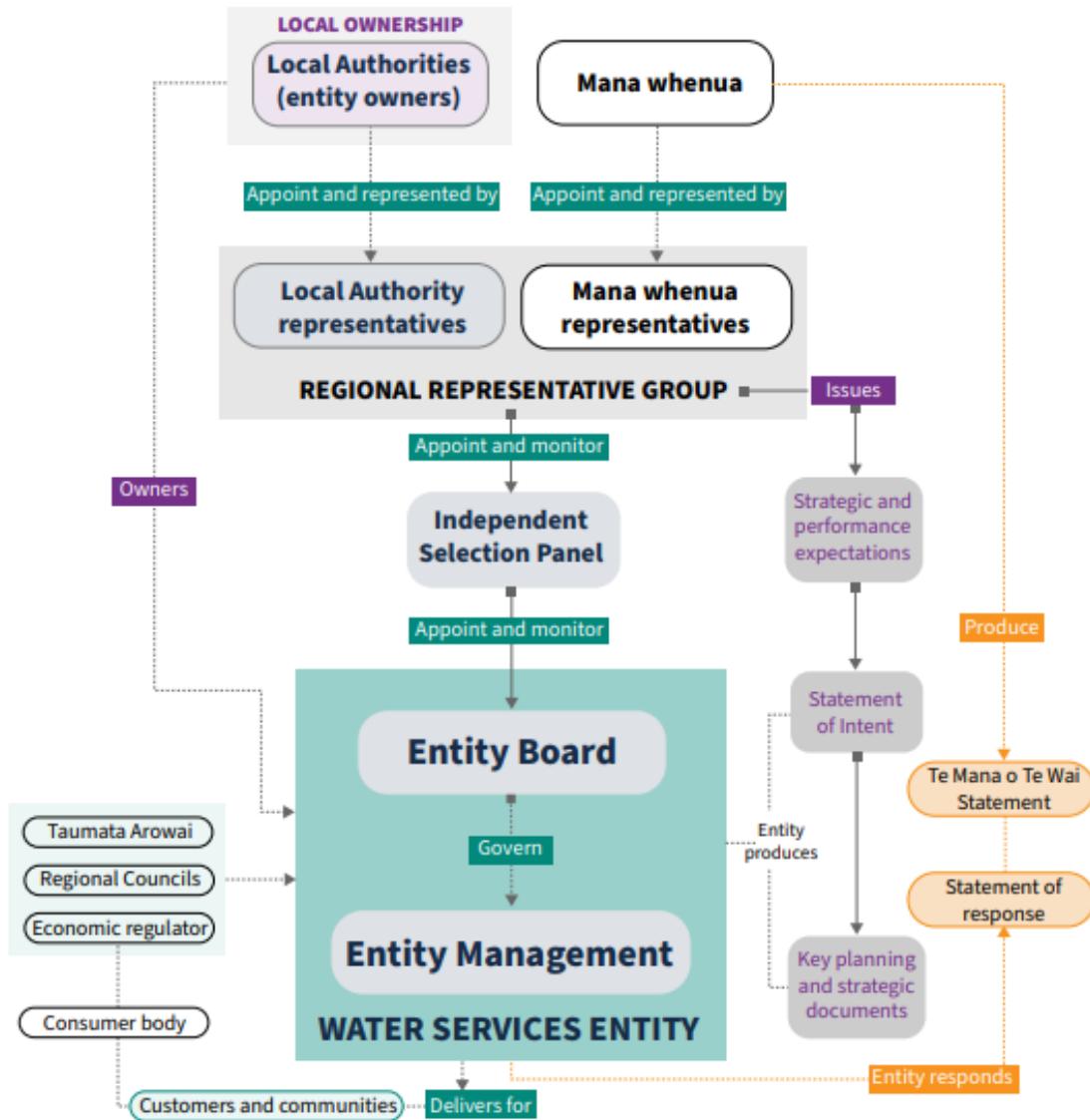
34. The announcement was complemented by the release of analysis undertaken by WICS. This analysis is based on information submitted by Councils through a Request for Information process. The analysis is indicative and does not constitute due diligence. This modelling confirms the underinvestment identified in the Mayoral Taskforce.
35. WICS estimates that in order to meet future pressures the average household cost per annum of three waters would need to increase from \$950 to \$2,440. Through adopting reforms, this could be reduced to \$1,260. While this analysis is open to challenge and there has been substantial discussion around accuracy, officers consider that at a high level the case for change is consistent with the findings of the Mayoral Taskforce, and investment advice from Wellington Water Limited.



36. Across all of the Entity C Councils, without reform the cost is estimated at \$3730 per household per annum.
37. Under the existing model where three waters revenue is not ringfenced, the future rates increases required to create headroom on the balance sheet would be significant. The WSEs will have separate balance sheets to enable more substantial borrowing.
38. WICS has estimated efficiencies of 45% over a 30-year period, roughly 2% per annum achieved through improved and aggregated capability, procurement, governance, scale and economic regulation, ultimately delivering lower costs for communities.
39. The WICS analysis has been peer reviewed by Farrier Swier Consulting. Farrier Swier found that the WICS analysis gave reasonable estimates in terms of direction and order of magnitude. It is likely that efficiencies will not be delivered for several years – this is unsurprising given the scale of change.

Governance

40. The Government also released proposed governance arrangements, as shown below.



41. Under this model, Councils will own the water entities on behalf of communities, and mana whenua will have a joint oversight role. The structure of entities and their establishing legislation will protect against future privatisation with assets remaining in the ownership of their local communities.
 42. While Councils maintain ownership of the water entities, the type of entity, and the responsibilities associated with ownership are likely to be substantially different to traditional ownership models. The Government considers that Councils will be able to influence objectives and priorities of the new entities through this structure, and through land use planning mechanisms such as spatial plans. It is not yet clear how communities might directly influence strategy and resource prioritisation.

Funding Support

43. On 15th July the Prime Minister announced a financial support package of \$2.5bn for Councils that participate in reform. There are three relevant components for Wellington City:
 - \$66m ('better off' funding) for Wellington City designed to support communities to transition to a sustainable and low emissions economy, including by building resilience to climate change and natural hazards, or delivering infrastructure that enables housing and local place making. Some of this funding will be made available for use by councils from 1 July 2022, with the remainder available from 1 July 2024 when the new water services entities are anticipated to be established
 - Around \$20m ('no worse off' funding) (\$50m for all the WWL shareholding Councils) to offset stranded costs and overheads.
 - Additional funding to meet reasonable costs associated with the transfer of assets, liabilities, and revenue to new water service entities.
44. Advice on how this funding might be deployed will be provided later in 2021 through the Annual Plan process.
45. Following these announcements, the Government gave Councils eight weeks to provide feedback. Councils are asked to:
 - Understand the key features of the proposed model and apply this to each Council's individual circumstances;
 - Consider the model holistically including the terms of service, finance and funding, workforce, delivery and capability and social, cultural, environmental and economic wellbeing.
46. Prior to the end of the 8 week period (which ends on 24 September), further advice will be presented to the Committee / Council regarding the form of the feedback, once this has been received from Government.

Discussion

47. There remains substantial uncertainty around the impacts of reform. Specifically, the Government has not yet provided a clear outline of the process for decision making, and how public consultation will fit into that process.
48. There is also uncertainty as to how assets, debt and revenue will transfer to the new entity, and the impact this might have on the Council balance sheet.
49. The anticipated date of asset transfer is mid-2024. At that date the Council's three waters financial profile is forecast to include
 - \$2.01b in assets
 - \$1.35b in revaluation reserves
 - \$150m revenue

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- 50. The loss of revenue will have a direct impact on the debt capacity of Council. Using the current self-imposed debt limit, the loss of \$150m in revenue would result in a debt capacity reduction of \$337m. A loss of debt capacity has the potential to compromise the Council's capital expenditure programme.
 - 51. The Council does not allocate debt directly to activities and so cannot specifically identify three waters related debt. Officers are seeking guidance from DIA on the appropriate methodology to use to calculate the debt to be allocated to the new water entity. Allocating debt to the new water entity reduces the impact on debt headroom from losing three waters revenue.
 - 52. The financial impact of participating in three waters reform remains unclear for Council. While there is some comfort in the Crown's commitment that no Council participating in water reform is in a materially worse position financially to continue to provide services to its community, the extent and nature of this commitment is still to be tested.
 - 53. Further financial analysis will be required following further announcements by the Government and to inform necessary discussions about how to assess whether the Council is left "no worse off" following participation in reform.
 - 54. Officers will continue to engage with DIA to understand the impact of reform on the Council's accounts and will provide regular updates.

Other Considerations

- 55. Whaitua. The Whaitua-Te-Whanganui-a-Tara Committee (Whaitua) is an advisory body established by Greater Wellington Regional Council (GW) and tasked to develop recommendations, with community and stakeholder engagement, that would improve the quality of freshwater bodies in the Wellington/Hutt catchment. At the heart of this programme is GW's need to meet the requirements of the National Policy Statement for Freshwater Management (NPS-FM).
- 56. The Committee has been active since November 2018 and is at the point where it is preparing to make recommendations. This will ultimately see more stringent conditions on resource consents around three waters, including the Wellington City Council's Global Stormwater Discharge Consent. Officers consider that the Whaitua will highlight the strong community desire for clean water and that the 2021 Long-term Plan investment will not come close to addressing the community expectations, or the requirements of the NPS-FM.
- 57. Audit Opinion. The Council received a qualified audit opinion for the 2019/20 Annual Report related to water performance management, and officers are aware that some of the issues identified remain unaddressed. The Long-term Plan attracted a non-standard response around key areas of water performance management, and early indications are that the next Annual Report is at risk of qualification for similar reasons.
- 58. Consent Compliance. In April 2021 the Council was issued a formal warning by GW for the on-going non-compliance of a continuous discharge from the Western wastewater treatment plant, and in July an infringement notice and formal warning was received for the discharge of non-compliant effluent from the Moa Point plant.

59. The City was also found to be non-compliant with the global stormwater consent, and was rated as poor, the lowest rating.

Your compliance rating

Please find below your compliance monitoring assessment for resource consent WGN180027 [34920] for the period 1 January 2020 – 30 June 2020.

Please note, the 2019 compliance monitoring assessment covered the period 30 November 2018 (date of grant) to 31 December 2019. Going forward, compliance assessments will cover the period 1 July – 30 June.

[34920]	NON-COMPLIANCE Condition(s) not met / Immediate action required (see comments below)
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Overall compliance summary for Wellington Water Limited Global Stormwater Consent:

POOR 	Overall poor management of site and consents. There are repeated and/or multiple breaches of consent conditions. This is resulting in actual or potential environmental effects that are beyond what was considered when the consents were issued. This is considered unacceptable and the consent holder needs to give immediate attention to meeting their consent requirements.
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60. The Council currently has 75 constructed overflows – these are sewers that are designed to overflow into the City stormwater system. Ideally this would only occur during rain events, however dry weather overflow events are common.
61. Officers anticipate that the renewed scrutiny of stormwater quality in the City will result in further compliance challenges, exacerbated by a modest investment in stormwater.
62. Water meters. While meters are not in the Long-term Plan, whichever entity manages water in future will need good quality data to be able to better measure network performance. Elsewhere, meters are the main mechanism used for this purpose. A future entity is also likely to link water use with revenue through metering.

Conclusion

63. Officers consider that the issues above cannot be addressed without bold structural change and significant increases in investment on renewals, levels of service and growth. The current system does not work, and this will be exacerbated in future as the City grapples with growth, climate change and resilience challenges. The City is already non-compliant with resource consent conditions and audit requirements, and without change this will continue to occur with increasing frequency.
64. If reform does not progress, officers consider that change will still be required. Funding would need to be ringfenced and at least doubled, presumably funded from rates. While this can possibly be achieved locally, the Government reforms are effectively offering the same vehicle for change.

Next Actions

65. The Government has indicated that it will run an 8-week process, commencing 2 August and ending 24 September, during which time it will;
- Engage with the sector and Iwi / Māori.
 - Seek clarification on Council positions and feedback – this is not consultation.
 - Provide further Government announcements on process, water entity boundaries, financial implications and process, and reform timelines.
 - Introduce the Water Services Bill in late 2021, to take effect from around April 2022.

Further information is contained in the Guidance Document at Appendix 1.

66. Further advice will be brought to the Committee / Council in September 2021 together with the proposed feedback to the Department of Internal Affairs.
67. The Government will finalise the opt out process in 2021, and establishment Legislation for the water entities will be in 2022.

Attachments

Attachment 1. Three Waters Guidance for councils over the 8 week period [Download](#) Page 32



Author	Mike Mendonca, Acting Chief Infrastructure Officer
Authoriser	Sara Hay, Chief Financial Officer Barbara McKerrow, Chief Executive Officer



Three Waters Guidance for councils over the next eight weeks

Local Government New Zealand, Taituarā, and Te Tari Taiwhenua Internal Affairs

30 July 2021

Context

The Government has recently announced an integrated and extensive package of reform proposals together with a comprehensive financial support package. These announcements build on an intensive 12-month period of policy, commercial, legal and analytical work that has been progressed through a constructive partnership-based approach with the local government sector, under the oversight of a joint central-local government steering committee. Throughout this period the government has also undertaken multiple periods of engagement with local government and iwi/Māori.

The sector, through LGNZ's National Council, Taituarā and the Joint Steering Committee, have been working with the Government on their preferred model to ensure the Government's policy proposal worked within the broader local government "operating" system. We have shared the sector's concerns with DIA and challenged and tested policy as it's been developed. This has significantly influenced the shape of the reform. We are confident that there is a sufficient and evidence-based national case for change, including that the current approach to three waters service delivery is not capable of delivering the outcomes required in an affordable and sustainable way into the future.

What's the Government's proposing?

The Government is proposing four new, large water service delivery entities. Their scale and balance sheet separation from councils means they will be able to borrow enough to fund the investment needed, a position that has been thoroughly tested with ratings agency Standard & Poors. The scale is also important to build and develop capability and capacity in the water services industry, as well as creating operating efficiencies and for effective quality and economic regulation. Without the new WSEs, councils will be directly responsible for all quality and economic regulatory obligations.

To support the sector through this massive change, LGNZ and the Crown (through DIA) jointly developed a [national-level package](#) to wrap around the reform proposals that addresses the sector's concerns and supports our communities now and into the future. The package is detailed in a [Heads of Agreement](#), signed in July, between LGNZ and the Government.

A summary of the proposed reform and support package can be found in [Appendix 1](#). [Appendix 2](#) provides an overview of the resources available to local authorities seeking further detail around the case for change and the decisions taken to date.

The Government and LGNZ have recommitted to working in partnership with the local government sector not just on these reforms, but on other challenges and opportunities. This is reflected in a [joint central/local government statement](#) released by the Government and LGNZ and underpinned by the Heads of Agreement.

Through the Heads of Agreement, the Government and LGNZ have agreed that local authorities will be provided a reasonable period from the end of the LGNZ conference through to 1 October to consider the impact of the reforms (including the financial support package) on them and their communities and an opportunity to provide feedback. The agreement and support package signal the Government's confidence in local government as a critical partner, both in this reform and in the future. We have heard strongly that Ministers want to work in partnership with our sector.

They have committed to doing so and LGNZ has made the same commitments. That is how we can be most effective and influential going forward.

No formal decisions are required between now and 1 October, but we are seeking feedback on the potential impacts of the proposed reform and how it could be improved.

The purpose of the next eight weeks

The purpose of this period is to provide time for all local authorities to:

- engage with and understand the large amount of information that has been released on the nature of the challenges facing the sector, the case for change, and the proposed package of reforms, including the recently announced support package;
- take advantage of the range of engagement opportunities to fully understand the proposal and how it affects your local authority and your community; and
- identify issues of local concern and provide feedback to LGNZ on what these are and suggestions for how the proposal could be strengthened.

You are not expected to make any formal decisions regarding the reform through this period. This is an opportunity for the sector to engage with – and provide feedback on – local impacts and possible variations to the proposed reform package outlined by the Government.

This engagement period does not trigger the need for formal consultation.

We would encourage local authorities to share your feedback with us as it arises over this period – that way we can share insights and ideas on common issues across the sector and help each other benefit from each other’s work.

Who’s doing what over the next eight weeks

Over the next eight weeks:

- DIA and the Steering Group will continue to work on policy development so they can refine and enhance the model based on feedback from the sector.
- LGNZ and Taituarā will continue to support councils to understand their individual council data and the potential impacts the proposal will have on them and their communities.
- LGNZ will also facilitate workshops and council meetings to gather your feedback and provide clear guidance and ideas to DIA, the Steering Group and the Minister on the remaining unresolved areas of concern.
- The Steering Committee will maintain a role in informing ongoing policy issues, informing the implementation of the reform package, and providing oversight of and input into the transition processes.
- Councils can use this time to work through the proposal and information provided by DIA, including to test the ‘no worse off’/‘better off’ proposition underpinning the financial support package.

Engagement with iwi/Māori

Over the next eight weeks, the Government will continue to lead engagement with iwi/Māori over the reform programme. You should be aware of this occurring but not let it stop you from maintaining your own constructive relationships. You should also be aware that as part of the [Heads of Agreement](#) and the funding allocation attached, it is proposed that to recognise the role that iwi/Māori will play in the new delivery system as partners, local authorities will be expected to engage with iwi/Māori in determining how it will use its funding allocation.

What happens next - decision making and consultation

Following the engagement period, the Government will consider the feedback and suggestions provided by local authorities, in partnership with the joint steering committee. It will also consider the next steps, including the transition and implementation pathway, and revised timing for decision-making, which could accommodate the time required for any community or public consultation.

The Government will not be taking further decisions until after this engagement period.

Engagement on boundaries

The Government is keen to engage with those most affected by boundary issues, with discussions already underway. This engagement will be ongoing and is not limited to the eight week period.

What councils need to do over the next eight weeks

This is an opportunity for the sector to engage with the model and the proposal, at the national level and very specifically as it relates to your district/city. In this period Chief Executives should provide advice, for noting, to their council on the implications for the district/city. (Taituarā will develop a report format for chief executives to use). A decision on the advice, apart from noting, is not required, but the advice could form the basis of consultation with the community at a later date if required.

We would encourage councils to share your feedback with us as it arises over this period – that way we can share insights and ideas on common issues across the sector and help each other to benefit from each other's work.

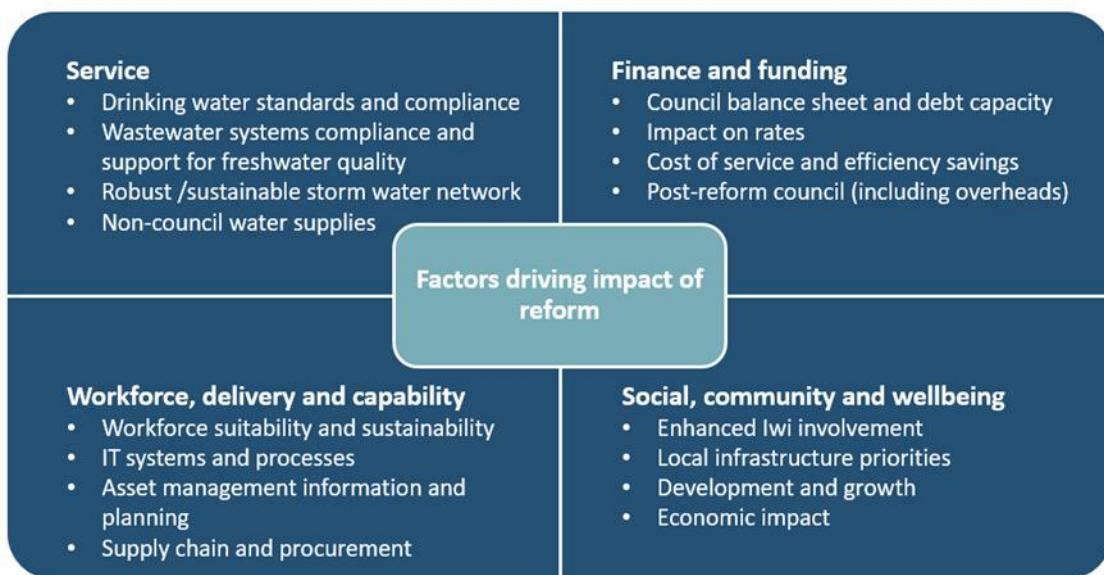
Local authorities are encouraged to review and consider the reform package and its implications for the communities they serve.

From now till 1 October, councils should carry out analysis to understand the potential impact of the reform by taking these steps:

1. Understand the key features of the proposed model and how it is intended to work (LGNZ will provide resources to help with this – see below).
2. Apply the proposed model to your circumstances (consider impacts on your community) for today and for the future (we would propose a 30 year horizon).

3. Consider the model holistically – in terms of service, finance and funding, workforce, delivery and capability and social, cultural, environmental and economic well-being. LGNZ can help with this analysis.
4. Using the Taituarā pro forma report framework, chief executives should report the outcome of this analysis as advice to their councils, for noting. The pro forma report will specify all the parameters to be covered. Please provide a copy of the advice to LGNZ.

Local authorities are encouraged to consider the impacts of the proposed reform holistically, in terms of service outcomes, economic development and growth, finance and funding, workforce capability and social, community and economic well-being. The diagram below provides a helpful framework for thinking through these impacts. LGNZ can help with this analysis.



Local authorities are also encouraged to provide feedback or participate in targeted workshops to develop solutions on outstanding issues identified by LGNZ and the Government.

As part of the agreement between LGNZ and the Government, we are also looking for feedback on and solution refinements for issues that councils have raised that aren't fully resolved and on which the Government has said there is room for flexibility to come up with solutions that meet local needs:

1. Ensuring all communities have both a voice in the system and influence over local decisions. This includes assurance that water service entities will understand and respond appropriately to communities' needs and wants, including responding to localised concerns.
2. Effective representation on the new water service entities' oversight boards so that there is strong strategic guidance from, and accountability to, the communities they serve, including iwi/mana whenua participation. This also covers effective assurance that entities, which will remain in public ownership, cannot be privatised in future.

3. Making sure councils' plans for growth, as reflected in spatial plans, district plans or LTPs, are appropriately integrated with water services planning. This includes that planning and delivery of water infrastructure investment is integrated with transport and other related infrastructure.

You can either provide potential solutions and refinement ideas in writing to us or participate in targeted workshops. If you would like to be part of a workshop, please email feedback@lgnz.co.nz.

Appendix 1: Summary of reform proposal and support package

Government reform package

The Government has decided, based on the substantial work undertaken over the past year in partnership with the sector, to pursue an integrated and extensive package of reform to the current system for delivering three waters services and infrastructure. The package comprises the following core components:

- establish four statutory, publicly-owned water services entities to provide safe, reliable and efficient water services;
- enable the water services entities to own and operate three waters infrastructure on behalf of local authorities, including transferring ownership of three waters assets and access to cost-effective borrowing from capital markets to make the required investments;
- establish independent, competency-based boards to govern each water services entity;
- introduce mechanisms that protect and promote the rights and interests of iwi/Māori in the new three waters service delivery system;
- introduce a series of safeguards against future privatisation of the water services entities;
- set a clear national policy direction for the three waters sector, including expectations relating to the contribution by water services entities to any new spatial / resource management planning processes;
- establish an economic regulation regime, to ensure efficient service delivery and to drive the achievement of efficiency gains, and consumer protection mechanisms; and
- develop an industry transformation strategy to support and enable the wider three waters industry to gear up for the new water services delivery system.

Financial support package

The Government has developed, in close partnership with Local Government New Zealand, a package of \$2.5 billion to support the sector through the transition to the new water services delivery system, and to position the sector for the future. There are two broad components to this support package:

- \$2 billion of funding to invest in the future of local government and community well-being, while also meeting priorities for government investment (the “better off” component).
- \$500 million to ensure that no local authority is financially worse off as a direct result of the reform (the “no worse off” component).

The better off component of the support package, which comprises \$1 billion Crown funding and \$1 billion from the new water services entities, is allocated to territorial authorities on the basis of a nationally consistent formula that takes into account population, relative deprivation and land area. This formula recognises the relative needs of local communities, the unique challenges facing local authorities in meeting those needs, and differences across the country in the ability to pay for those needs.

Territorial authorities will be required to demonstrate that the use of this funding supports the three waters service delivery reform objectives and other local well-being outcomes and aligns with the priorities of central and local government, through meeting some or all of the following criteria:

- supporting communities to transition to a sustainable and low-emissions economy, including by building resilience to climate change and natural hazards; and
- delivery of infrastructure and/or services that:
 - enable housing development and growth, with a focus on brownfield and infill development opportunities where those are available; and
 - support local place-making and improvements in community well-being.

The no worse off component of the support package is intended to address the costs and financial impacts on territorial authorities directly as a result of the three waters reform programme and associated transfer of assets, liabilities and revenues to new water services entities. It includes an up to \$250 million allocation to support councils to meet unavoidable costs of stranded overheads, based on:

- \$150 million allocated to councils (excluding Auckland, Christchurch and councils involved in Wellington Water) based on a per capita rate that is adjusted recognising that smaller councils face disproportionately greater potential stranded costs than larger councils;
- Up to \$50 million allocated to the Auckland, Christchurch and Wellington Water councils excluded above based on a detailed assessment of two years of reasonable and unavoidable stranded costs directly resulting from the Water Transfer, as the nationally-consistent formula is likely to overstate the stranded costs for these councils due to their significantly greater scale and population. Stranded costs should be lower with respect to Watercare and Wellington Water as these Council Controlled Organisations have already undertaken a transfer of water services responsibilities, albeit to varying degrees; and
- Up to \$50 million able to be allocated to councils that have demonstrable, unavoidable and materially greater stranded costs than provided for by the per capita rate (the process for determining this will be developed by the Department of Internal Affairs working closely with Local Government New Zealand).

The remainder of the no worse off component will be used to address adverse impacts on the financial sustainability of territorial authorities. This will require a due diligence process that will need to be worked through in the coming months.

In addition to the support package, the Government expects to meet the reasonable costs associated with the transfer of assets, liabilities and revenue to new water services entities, including staff involvement in working with the establishment entities and transition unit, and

provision for reasonable legal, accounting and audit costs. There is an allocation for these costs within the \$296 million tagged contingency announced as part of the 2021 Budget Package for transition and implementation activities. This allocation is additional to the \$2.5 billion support package.

The Department of Internal Affairs is continuing to work with Local Government New Zealand and Taituarā, including through the joint Steering Committee process, to develop the process for accessing the various components of the support package outlined above, including conditions that would be attached to any funding. More information and guidance will be made available in the coming months.

Better off funding allocation

Council	Allocation
Auckland	\$ 508,567,550
Ashburton	\$ 16,759,091
Buller	\$ 14,009,497
Carterton	\$ 6,797,415
Central Hawke's Bay	\$ 11,339,488
Central Otago	\$ 12,835,059
Chatham Islands	\$ 8,821,612
Christchurch	\$ 122,422,394
Clutha	\$ 13,091,148
Dunedin	\$ 46,171,585
Far North	\$ 35,175,304
Gisborne	\$ 28,829,538
Gore	\$ 9,153,141
Grey	\$ 11,939,228
Hamilton	\$ 58,605,366
Hastings	\$ 34,885,508
Hauraki	\$ 15,124,992
Horowhenua	\$ 19,945,132
Hurunui	\$ 10,682,254
Invercargill	\$ 23,112,322

Kaikoura	\$ 6,210,668
Kaipara	\$ 16,141,395
Kapiti Coast	\$ 21,051,824
Kawerau	\$ 17,270,505
Lower Hutt	\$ 38,718,543
Mackenzie	\$ 6,195,404
Manawatu	\$ 15,054,610
Marlborough	\$ 23,038,482
Masterton	\$ 15,528,465
Matamata-Piako	\$ 17,271,819
Napier	\$ 25,823,785
Nelson	\$ 20,715,034
New Plymouth	\$ 31,586,541
Opotiki	\$ 18,715,493
Otorohanga	\$ 10,647,671
Palmerston North	\$ 32,630,589
Porirua	\$ 25,048,405
Queenstown Lakes	\$ 16,125,708
Rangitikei	\$ 13,317,834
Rotorua Lakes	\$ 32,193,519
Ruapehu	\$ 16,463,190
Selwyn	\$ 22,353,728
South Taranaki	\$ 18,196,605
South Waikato	\$ 18,564,602
South Wairarapa	\$ 7,501,228
Southland	\$ 19,212,526
Stratford	\$ 10,269,524
Tararua	\$ 15,185,454

Tasman	\$ 22,542,967
Taupo	\$ 19,736,070
Tauranga	\$ 48,405,014
Thames-Coromandel	\$ 16,196,086
Timaru	\$ 19,899,379
Upper Hutt	\$ 18,054,621
Waikato	\$ 31,531,126
Waimakariri	\$ 22,178,799
Waimate	\$ 9,680,575
Waipa	\$ 20,975,278
Wairoa	\$ 18,624,910
Waitaki	\$ 14,837,062
Waitomo	\$ 14,181,798
Wellington	\$ 66,820,722
Western Bay of Plenty	\$ 21,377,135
Westland	\$ 11,150,183
Whakatane	\$ 22,657,555
Whanganui	\$ 23,921,616
Whangarei	\$ 37,928,327

Appendix 2: Three Waters Reform Programme key resources

The table below summarises the key resources that have been published in relation to the Government's recent announcements around the proposed three waters service delivery reform and financial support package.

Further information is available at the three waters reform programme webpage at:

<https://www.dia.govt.nz/Three-Waters-Reform-Programme>

Title	Description
Cabinet papers and decisions	
Cabinet paper one and minute – A new system for three waters service delivery	Paper summarising the case for change and seeking Cabinet agreement to the overall reform package.
Cabinet paper two and minute – Designing the new three waters service delivery entities	Paper seeking Cabinet agreement to the proposed structure of water services entities, associated oversight, governance and ownership arrangements and mechanisms that provide for communities and consumers to have a voice within the new structure.
Cabinet paper three and minute – Protecting and promoting iwi/Māori rights and interests	Paper summarising iwi/Māori rights and interests in the three waters service delivery reforms, and seeking agreement to a number of specific mechanisms for protecting and promoting rights and interests in the new service delivery model.
Summary of case for change and reform proposal	
Transforming the system for delivering three waters services - the case for change and summary of proposals	An overview of the case for change and the Government's proposed package of reform.
A3 Overview of the Three Waters Reform Programme	A3 summarising the case for change, proposed new delivery system.
Financial support package information and FAQs	Overview of the financial support package, allocations and responses to frequently asked questions.

Title	Description
Models, tools and dashboards	
Local Dashboard	Dashboard of the potential impacts on local authorities with and without reform.
Simplified financial models	Simplified versions of the financial models the Water Industry Commission for Scotland used in its analysis of the potential economic benefits of three waters reform. These models demonstrate the approach taken to calculate average household costs for each council and amalgamated entity. There are also slide packs setting out sensitivity analysis for each council and amalgamated entity to test the sensitivity of the modelling to key assumptions, including assumptions around levels of efficiency and future investment need.
Water Service Entities overview	A short overview of the estimated position of the Water Service Entities following reform.
Evidence base	
Regulatory Impact Assessment – Decision on the reform of three waters service delivery arrangements	<p>Regulatory Impact Assessment (RIA) developed by the Department of Internal Affairs to inform the decision on whether and how to improve the system for delivering three waters services.</p> <p>Developed in two parts:</p> <ul style="list-style-type: none"> • a strategic RIA assessing the rationale for reform; and • six detailed RIA chapters assessing each of the core design choices that make up the package of policy proposals.
<p>Industry Development Study and Economic Impact Assessment (Deloitte)</p> <p>Summary A3</p> <p>Full report</p>	Analysis of the potential economic impact of the proposed reform package, and the opportunities and risks for industries affected by reform.

Title	Description
<p>Economic analysis of water services aggregation (Water Industry Commission for Scotland):</p> <p>Final report</p> <p>Supporting material part 1 - required investment</p> <p>Supporting material part 2 – scope for efficiency</p> <p>Supporting material part 3 – costs and benefits of reform</p> <p>Supporting material part 4 – modelling the effect of ranges for key parameters for Auckland Council</p> <p>Supporting material part 5 – Council outcomes under amalgamation</p>	<p>Second phase of analysis that builds on earlier work by making use of more up-to-date information collected through the Request for Information process and by making allowance for population growth and council-reported rates of connection. The analysis is done in three parts:</p> <ul style="list-style-type: none"> • Estimated investment requirement for New Zealand's three waters infrastructure to meet quality standards; • Scope for efficiency gains from transformation of the three waters service delivery system, including those associated with scale; and • The potential economic (efficiency) impacts of various aggregation scenarios.
<p>Review of methodology and assumptions underpinning economic analysis of aggregation (Farrierswier)</p>	<p>Farrierswier, a regulatory economics consultancy in Victoria, Australia with deep understanding of the water services industry, reviewed the methodology and underpinning assumptions applied by the Water Industry Commission for Scotland in its analysis of the potential benefits of reform and the extent to which this is reasonable to inform policy advice.</p>
<p>Review of assumptions between Scotland and New Zealand Three Waters Systems (Beca)</p>	<p>Beca reviewed the standards and practices in the United Kingdom three waters industry and the relevance to New Zealand given WICS has used United Kingdom data and benchmarks as part of its analysis.</p>

SUPPORTING INFORMATION

Engagement and Consultation

The engagement process is included in the body of this report and further advice regarding any future consultation requirements will be provided in September 2021.

Treaty of Waitangi considerations

There are extensive Treaty considerations and areas of significance for our mana whenua partners. The Crown is currently leading the engagement with iwi and Greater Wellington Regional Council is engaging with mana whenua on behalf of the Wellington Region. Iwi engagement and direction is key to the decision making process of this reform.

Financial implications

There are substantial financial implications associated with reform. These will be covered in more depth in future advice to the Committee once the Crown communicates what the financial transaction methodology will be. Water Reform will impact Council's revenue, balance sheet and asset base, future financial liabilities and debt.

Policy and legislative implications

There are extensive policy and legislative implications outlined in the report, mainly around the NPS-FM.

Risks / legal

Significant risks have been identified; these will be reported to the Infrastructure and Audit and Risk Committees.

Climate Change impact and considerations

Climate considerations are a driver of reform.

Communications Plan

At this stage, Government is leading communications. Guidance is being prepared for Councils, this will be incorporated into future advice to the Committee.

Health and Safety Impact considered

Three waters involves significant and complex safety risks, however these are not explicitly the subject of the report.

FORWARD PROGRAMME

Purpose

1. This report provides the Forward Programme for the Pūroro Waihanga | Infrastructure Committee for the next two months.

Summary

2. The Forward Programme sets out the reports planned for Pūroro Hātepe meetings in the next two months that require committee consideration.
3. The Forward Programme is a working document and is subject to change on a regular basis.

Recommendation/s

That the Pūroro Waihanga | Infrastructure Committee:

1. Receive the information.

Discussion

4. Thursday 9 September 2021:
 - Three Waters Resilience (Chief Infrastructure Officer)
 - Three Waters Reform (Chief Infrastructure Officer)
 - St James (Chief Infrastructure Officer)
5. Thursday 14 October 2021:
 - Te Ngakau (Chief Infrastructure Officer)
 - Earthquake prone buildings (Chief Infrastructure Officer)
 - Strategic Waste Review (Chief Infrastructure Officer)

Attachments

Nil

Author	Sean Johnson, Democracy Advisor
Authoriser	Mike Mendonca, Acting Chief Infrastructure Officer

SUPPORTING INFORMATION

Engagement and Consultation

N/A

Treaty of Waitangi considerations

N/A

Financial implications

N/A

Policy and legislative implications

Timeframes and deliverables are reliant on organisational resourcing and priorities.

Risks / legal

N/A

Climate Change impact and considerations

N/A

Communications Plan

N/A

Health and Safety Impact considered

N/A

ACTION TRACKING

Purpose

1. This report provides a progress update on the actions agreed by the Pūroro Waihanga | Infrastructure Committee at its previous meeting.

Summary

2. As part of the implementing the recommendations of the Wellington City Council Governance Review, officers will provide each Committee with a monthly update on decisions taken in previous meetings.
3. This Attachment to this report contains the list of actions from this Committee's previous meeting and progress in implementing those actions.
4. Each clause within the resolution has been considered separately and the following statuses assigned:
 - No action required: For clauses with no specific action required, including resolutions to receive information and most noting resolutions.
 - In progress: Resolutions with this status are currently being implemented.
 - Complete: Clauses which have been completed.
5. All actions that are still underway will be included in the subsequent monthly updates. Completed actions and those that require no action will only appear once.

Recommendation/s

That the Pūroro Waihanga | Infrastructure Committee:

1. Receive the information.

Background

6. At the 13 May 2021 Council meeting, the recommendations of the Wellington City Council Governance Review (the Review Report) were endorsed and agreed to be implemented.
7. The Review Report recommended an increased focus on monitoring the implementation of Council resolutions and delivery of the work programme. As part of the implementation of this recommendation, each Committee will be provided with a monthly update on its previous decisions.

Discussion

8. Of the 16 resolutions of the Pūroro Waihanga | Infrastructure Committee in June 2021:
 - 11 require no action from staff
 - 2 are in progress
 - 3 are complete

-
9. Further detail is provided in Attachment One.

Attachments

Attachment 1. Actions table [!\[\]\(f1c3a3c75a0b5ef93bb21ba81d5044d3_img.jpg\)](#)

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Author	Sean Johnson, Democracy Advisor
Authoriser	Mike Mendonca, Acting Chief Infrastructure Officer

SUPPORTING INFORMATION

Engagement and Consultation

N/A

Treaty of Waitangi considerations

N/A

Financial implications

N/A

Policy and legislative implications

Timeframes and deliverables are reliant on organisational resourcing and priorities.

Risks / legal

N/A

Climate Change impact and considerations

N/A

Communications Plan

N/A

Health and Safety Impact considered

N/A

Meeting Date	Item	Clause	Status
Wednesday, 23 June 2021	2.1 Te Ngākau General Update	1. Receive the information 2. Note the status of the main workstreams within Te Ngākau Civic Precinct 3. Note that a reporting dashboard will be developed that encompasses the range of workstreams across Te Ngākau Civic Precinct covering the status of each workstream for future reporting to the Infrastructure Committee	No action required No action required In progress
	2.2 Sludge Minimisation	1. Receive the information 2. Note that Wellington City cannot achieve carbon and waste minimisation objectives unless sewage sludge is decoupled from the Southern landfill. 3. Note WWL's business case outlining that lysis-digestion with thermal drying is the preferred technical option for Wellington City. 4. Note that officers are developing a commercial framework with Crown Infrastructure Partners using the provisions of the Infrastructure Funding and Financing Act 2020 to fund sludge minimisation. 5. Note that officers are developing a governance framework in conjunction with Crown Infrastructure Partners and Wellington Water Limited. 6. Note that officers are assessing integration of sludge minimisation with the Government's Three Waters Reform package.	No action required No action required No action required No action required No action required No action required
		7. Note that officers will report to the Finance and Performance Committee in September, and will provide further updates as required and via the Quarterly Report.	In progress
	2.3 Transfer of land (segregation strips) adjoining 60-72 Murphy Street from NZTA to Council	1. Receive the information 2. Recommend to Council that it: a. Agree to acquire approximately 21m ² of land adjoining 60 -72 Murphy Street, Thorndon being sections 1 to 6 and section 14 SO 461178 on ROT 828494 (the Land) for \$1 (if demanded), pursuant to section 50 of the Public Works Act 1981. b. Delegate the Chief Executive Officer to carry out all steps necessary to conclude the acquisition of the Land from the Crown (Waka Kotahi – NZTA). c. Note that Council will pay reasonable costs of the Transfer of approximately \$3,000 funded from activity 2084.	No action required Complete
	2.4 Draft Submission - Infrastructure for a Better Future Aotearoa New Zealand	1. Receive the information 2. Agree to the draft submission substituting the Mayor as signatory and with such changes as the Chair, Deputy Chair and Chief Executive might agree in regard to: a. The establishment of a State agency to coordinate, fund and install low carbon energy power generation and infrastructure; b. Investment structures to facilitate Māori investment and participation. c. In the vision statement and objectives include a reference to Te Tiriti o Waitangi and opportunities to partner with tangata whenua. d. Note in the submission the challenges that the Council and residents are facing in terms of earthquake strengthening and that new funding tools and more affordable strengthening methods are needed. e. Add in a point about asking government to allocate more of their roading budget towards active transport infrastructure, particularly for those local authorities who have reached their debt limits e.g. Hamilton City Council. f. Climate change adaptation including cost-sharing where there are private benefits.	No action required Complete
		3. Delegate to the Chief Executive and the Chair or Deputy Chair of the Pūroro Waihanga Infrastructure Committee the authority to amend the submission to include any proposed amendments agreed by the Committee at this meeting, and any minor consequential edits, prior to it being sent.	Complete
	2.5 Forward Programme	1. Receive the information	No action required