



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

If calling please ask for: Democratic Services

5 April 2019

Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington on:

Wednesday, 10 April 2019 at 9.30am

Membership

Cr Laidlaw (Chair)

Cr Blakeley
Cr Donaldson
Cr Kedgley
Cr Lamason
Cr Ogden
Cr Staples

Cr Brash
Cr Gaylor
Cr Laban
Cr McKinnon
Cr Ponter
Cr Swain

Recommendations in reports are not to be construed as Council policy until adopted by Council

Wellington Regional Council

Order Paper for the meeting of the Wellington Regional Council to be held on Wednesday, 10 April 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 9.30am.

Public Business

		Page No.
1.	Apologies	
2.	Declarations of conflict of interest	
3.	Public participation	
4.	Confirmation of the Public and Restricted Public	Report 19.106 3
	Excluded minutes of 21 March 2019, and the Public	Report RPE19.111 7
	minutes of 2 April 2019	Report 19.145 8

Strategy/Policy/Major Issues

5.	Completion of Te Awarua-o-Porirua Whaitua Implementation Programme (WIP)	Report 19.121 10
6.	Wellington Water proposed governance changes	Report 19.118 156
7.	Review of the Resource Management Charging Policy	Report 19.144 228
8.	LGNZ Conference and AGM 2019	Report 19.110 241
9.	Health, Safety and Wellness report	Report 19.56 243
10.	WRC Holdings Group 2019/20 draft Statement of Intent report	Report 19.105 250
11.	Local Government Funding Agency's Draft Statement of Intent 2019/20	Report 19.112 298
12.	Exclusion of the public	Report 19.143 317

Public Excluded Business

13.	Insurance – below ground bulk water supply assets	Report PE 19.107 319
14.	Public Transport – event ticketing opportunity	Report PE19.135 340



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

Please note that these minutes remain unconfirmed until the meeting of the Council on 10 April 2019.

Report 19.106

21/03/2019

File: CCAB-8-2160

Public minutes of the Council meeting held on Thursday, 21 March 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 1:30pm

Present

Councillors Laidlaw (Chair), Blakeley, Brash, Donaldson, Gaylor, Kedgley, Laban, Lamason, McKinnon, Ogden, Ponter, and Staples.

Public Business

1 Apologies

Moved

(Cr Laidlaw/ Cr Staples)

That the Council accepts the apology for absence from Councillor Swain.

The motion was **CARRIED**.

2 Declarations of conflict of interest

There were no declarations of conflict of interest.

3 Public participation

There was no public participation.

4 Confirmation of the Public minutes of 26 February and the Public Excluded minutes of 26 February 2019.

Moved

(Cr Laidlaw / Cr McKinnon)

That the Council confirms the Public minutes of 26 February 2019 - Report 19.62.

The motion was **CARRIED**.

Moved

(Cr Laidlaw / Cr Lamason)

That the Council confirms the Public excluded minutes of 26 February 2019 – Report PE19.63.

The motion was **CARRIED**.

Strategy/Policy/Major Issues

5 Approval of the information documents for the Annual plan 2019/20 and supporting information

Cr Laidlaw outlined the purpose of the proposed Annual Plan, the proposals contained within it, and the impact of the proposed rates increase on different ratepayers groups. He advised that Report 19.84 had been withdrawn from the agenda, and that a new report would be presented to a future Council meeting.

6 2019 Fares Review

Paul Kos, Manager, Public Transport Policy, introduced the report.

Report 19.93

File: CCAB-8-2147

Moved

(Cr Blakeley/ Cr Donaldson)

That the Council:

- 1. Receives the report.*
- 2. Notes the content of the report.*
- 3. Notes that the proposed supporting information for the Annual Plan 2019/20 assumes no fare increase for 2019/20.*
- 4. Notes that the user contribution is expected to remain within the target range for 2019/20 without a fare increase.*
- 5. Agrees that fares not be increased for the 2019/20 year.*
- 6. Notes the proposed process and guidelines for the annual fares review set out in Attachment 1, which provide clarity and transparency on how fares will be reviewed under the new operating environment.*
- 7. Notes that changes to the fares review process requires the new approach to user contribution and the reporting template to be incorporated into GWRC's finance system.*
- 8. Notes that while Farebox Recovery policy is no longer required, Council will report on compliance with the farebox recovery policy in the current PT Plan until the policy is amended in the PT plan update or through a variation to the PT Plan.*

The motion was **CARRIED**.

7 **Exclusion of the public**

Report 19.103

File: CCAB-8-2154

Moved

(Cr Laidlaw/ Cr Staples)

That the Council:

Excludes the public from the following part of the proceedings of this meeting, namely:

- 1. Restricted public excluded minutes of the Council meeting of 26 February 2019.*

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

<i>General subject of each matter to be considered:</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground under section 48(1) for the passing of this resolution</i>
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- | | | |
|---|--|--|
| <i>1. Restricted public excluded minutes of the Council meeting of 26 February 2019</i> | <i>The information contained in these minutes relates to the statutory performance review of the Chief Executive. Release of this information would prejudice the privacy of the Chief Executive by disclosing matters relating to the statutory review of his performance. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the Chief Executive's privacy.</i> | <i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(a) of the Act (i.e. to protect the privacy of natural persons).</i> |
|---|--|--|

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified above.

The motion was **CARRIED**.

The public part of the meeting closed at 1.47pm.

Cr C Laidlaw
(Chair)

Date:



greater WELLINGTON
REGIONAL COUNCIL
Te Pane Matua Taiao

Please note that these minutes remain unconfirmed until the meeting of the Council on 10 April 2019.

The matters referred to in these minutes were considered by the Council on 21 March 2019 in restricted public excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.

Report RPE19.111

21/03/2019

File: CCAB-8-2177

Restricted Public Excluded minutes of the Council meeting held on Thursday, 21 March 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 1.47pm

Present

Councillors Laidlaw (Chair), Blakeley, Brash, Donaldson, Gaylor, Kedgley, Laban, Lamason, McKinnon, Ogden, Ponter, and Staples.

Restricted Public Excluded Business

1 Confirmation of the Restricted Public Excluded minutes of 26 February 2019

Moved

(Cr McKinnon/ Cr Laidlaw)

That the Council confirms the restricted public excluded minutes of 26 February 2019 - Report RPE19.64.

The motion was **CARRIED**.

The restricted public excluded part of the meeting closed at 1.49pm.

Cr C Laidlaw
(Chair)

Date:



greater WELLINGTON

REGIONAL COUNCIL

Te Pane Matua Taiao

Please note that these minutes remain unconfirmed until the meeting of the Council on 10 April 2019.

Report 19.145

2/04/2019

File: CCAB-8-2209

Public minutes of the Council meeting held on Tuesday, 2 April 2019 in the Council Chamber, Greater Wellington Regional Council, Level 2, 15 Walter Street, Te Aro, Wellington at 9:30am

Present

Councillors Laidlaw (Chair), Blakeley, Brash, Donaldson, Gaylor, Kedgley, Laban, Lamason, McKinnon, Ogden, Ponter, Staples, and Swain.

Public Business

1 Apologies

There were no apologies.

2 Declarations of conflict of interest

There were no declarations of conflict of interest.

3 Public participation

Tony Randle spoke to the Annual Plan agenda item.

4 Approval of the information document for the Annual Plan 2019/20 and supporting information

Report 19.109

File: CCAB-8-2173

Moved

(Cr Blakeley/ Cr Ponter)

1. Receives the report.

2. Notes the content of the report.

3. *Agrees that there will be a variation from the Long Term Plan 2018-28 to amend the Funding Impact Statement to introduce a general rates differential within Wellington City only of:*
 - *Residential..... 1*
 - *Wellington CBD 1.7*
 - *Business..... 1.3*
 - *Rural..... 1*
4. *Agrees to undertake consultation with the community on the Annual Plan 2019/20 and the proposed amendment to the Revenue and Financing Policy.*
5. *Agrees to prepare the Annual Plan 2019/20 on the basis of a total rates requirement equivalent to a 5.9% average increase in rates.*
6. *Agrees to prepare the Annual Plan 2019/20 on the basis of a 6.1% increase to the Water Levy.*
7. *Adopts the draft Revenue and Financing Policy 2019 (Attachment 5) for the purposes of consultation.*
8. *Adopts the Annual Plan 2019/20 Supporting Information for the purpose of providing the community with the information on the basis of which the Annual Plan 2019/20 will be prepared, subject to any amendments required to give effect to Alternative Option 3.*
9. *Adopts the consultation document (Attachment 6).*
10. *Adopts the 'Staying on track' information document for the purpose of informing the community of Greater Wellington's plans for 2019/20.*
11. *Agrees to the communication and engagement programme set out in section 11 of this report on the basis of consulting with the community.*
12. *Authorises the Council Chair and Chief Executive to make minor changes that may arise as part of finalising and the Staying on Track and Annual Plan 2019/20 Supporting Information and Consultation Document.*
13. *Agrees to undertake a more comprehensive review of the Revenue and Financing Policy before the 2020/21 Annual Plan.*

The motion was put to the vote in parts. Parts 1 and 2 were put to the vote and were **CARRIED**. Part 3 was put to the vote and was **CARRIED**. Parts 4 to 13 were put to the vote and were **CARRIED**.

The meeting closed at 11.17am.

Cr C Laidlaw
(Chair)

Date:



Report 19.121
Date 2 April 2019
File CCAB-8-2184

Committee Council
Authors Tim Sharp, Whaitua Programme Manager

Completion of Te Awarua-o-Porirua Whaitua Implementation Programme (WIP)

1. Purpose

The purpose of this report is for Council to:

- receive the Te Awarua-o-Porirua Whaitua Implementation Programme (WIP) ([Attachment 1](#))
- receive the Te Awarua-o-Porirua Whaitua Implementation Programme - Ngāti Toa Rangatira Statement (Ngāti Toa Rangatira Statement) ([Attachment 2](#))
- refer the regulatory and non-regulatory parts of the WIP and Ngāti Toa Rangatira Statement to the next stages beyond the whaitua process.

2. Background

The whaitua process is a community-led, collaborative planning process to address a number of land and water management issues, and to assist in carrying out our obligations under the National Policy Statement for Freshwater Management (NPSFM). The programme aims to improve the integration of activities and achieve better resource management practices which reflect local aspirations.

Te Awarua-o-Porirua Whaitua Committee (the Committee) was the second of the five committees established, in December 2014. Since that time, the Committee has deliberated extensively in order to set objectives for the Whaitua and to develop recommendations that form their WIP.

The WIP contains objectives, strategies and actions that will form a programme of work for the management of land and water in Te Awarua-o-Porirua Whaitua to improve fresh and marine water quality. The recommendations in the WIP cover both regulatory provisions and non-regulatory programmes. The regulatory provisions will be included progressively into the Natural Resources

Plan by way of plan changes or variations. The non-regulatory programmes will be implemented over time, and in conjunction with mana whenua partners and organisations.

The Ngāti Toa Rangatira Statement is a key output from the Whaitua process. It records the priorities and recommendations of Ngāti Toa Rangatira as mana whenua of Te Awarua-o-Porirua Whaitua. It explains the cultural, physical, spiritual, social, historical and traditional associations with Te Awarua-o-Porirua and the wider catchment area and:

- provides an overview of their history and the contemporary issues they face
- describes their vision for the catchment
- presents examples of aspirations and proposed objectives which have been explored with the Committee and have concluded in different opinions.

The WIP and the Ngāti Toa Rangatira Statement must be read and implemented together to ensure the objectives and recommendations in both documents are reflected in changes to the Natural Resources Plan and in the non-regulatory programmes.

3. Completion of the Te Awarua-o-Porirua WIP

3.1 The Te Awarua-o-Porirua Whaitua Committee

Since December 2014, the Committee has worked with council officers (regional council, Porirua City and Wellington City Councils), technical experts, mātauranga advisors, Ngāti Toa Rangatira and local communities to identify key water issues within Te Awarua-o-Porirua Whaitua, and to develop methods for resolving the issues.

In May 2018, iwi representatives withdrew from the Committee to prepare their own statement. Over the three and a half years that Ngāti Toa Rangatira were members of the Whaitua Committee (December 2014 to May 2018) they provided foundational information, direction and advice which underpins the WIP.

The Committee's development of the recommendations contained in the WIP were informed by community values. These values were identified through hui with the community early in the process. The value groups are (full descriptions can be found on page 18 of the WIP):

- Kai kete/Food basket
- Hauora kaiao/Ecological health
- Ka taea e te tangata/Accessibility and recreation
- Te ara wairua o te wai/The pathway of the spirit of the water
- Whanaketanga tauwhiro o te whenua/Sustainable development of land

- Ohaoha o te wai/Economic uses of water and waterways as a resource
- Ko Te Awarua-o-Porirua he taonga tuku iho a Ngāti Toa Rangatira/Te Awarua-o-Porirua is an ancestral treasure of Ngāti Toa Rangatira.

3.2 Developing the draft WIP into the final document

The Committee presented the key issues and recommendations of the WIP to Te Upoko Taiao – Natural Resources Plan Committee and Councillors at a joint workshop on 11 December 2018.

A number of community meetings were held in late 2018 to share the draft WIP and to seek feedback.

From there, the WIP was revised and the Committee then shared the draft with their networks in February 2019. Ngāti Toa Rangatira also received that same version of the WIP and provided feedback. Edits and changes were made to the WIP to address the Committee's and Ngāti Toa Rangatira's comments and feedback.

3.3 Agreeing the final WIP

The full Te Awarua-o-Porirua Whaitua Committee has agreed to all the recommendations and content in the Te Awarua-o-Porirua WIP (Attachment 1). The Committee does not include Ngāti Toa Rangatira.

3.4 WIP recommendations

The recommendations include:

- amending the existing policy and rule framework – within the proposed Natural Resources Plan for the Wellington Region (PNRP), relevant district plans, and associated strategies and guidance
- aligning planning across the district and regional level
- Addresses the following specific areas:
 - natural form and character of waterways
 - ecosystem health
 - riparian margins
 - stormwater and wastewater infrastructure (including onsite systems)
 - urban development practices
 - silt and sediment control
 - stock exclusion
 - water takes (abstraction).
- leveraging partnerships with industry, rural landowners, community groups and the public through awareness-raising, encouraging innovation, encouraging citizen science and the establishment of additional catchment care groups
- advocacy to central government to change national regulations

- improvement in monitoring, compliance and enforcement.

4. Receipt of the WIP and Ngāti Toa Rangatira Statement by Council

4.1 Receipt of the WIP by Council

The process for Council receipt of the Te Awarua-o-Porirua WIP is the same as that used previously for the Ruamāhanga WIP. That is, the Whaitua Committee presented the key issues and recommendations of the WIP to Te Upoko Taiao – Natural Resources Plan Committee and Councillors (at a joint workshop on 11 December 2018).

At the 11 December 2018 workshop, no significant amendments were sought by Te Upoko Taiao – Natural Resources Plan Committee or Councillors.

The final version of the WIP (**Attachment 1**) contains no new content to that reviewed and endorsed at that meeting, although it has been subject to a substantial editorial process with the Committee.

4.2 Receipt of the Ngāti Toa Rangatira Statement by Council

As the Council's mana whenua partner in Te Awarua-o-Porirua, Ngāti Toa Rangatira understand that their Statement will be received by Council and implemented in good faith alongside the WIP.

5. Next steps for Te Awarua-o-Porirua WIP and Ngāti Toa Rangatira Statement

Following receipt of the Te Awarua-o-Porirua WIP and Ngāti Toa Rangatira Statement, the documents will be reviewed by Council officers to determine the various tasks for implementation.

The regulatory recommendations in the WIP will be referred to Te Upoko Taiao – Natural Resources Plan Committee for incorporation into the Proposed Natural Resources Plan through a plan change/variation process.

The non-regulatory recommendations will be further developed by GWRC in conjunction with relevant external organisations. Council officers will provide reports on progress with implementation of the WIP and Ngāti Toa Rangatira Statement to the Environment Committee.

The direction, intent and recommendations outlined in the WIP and Ngāti Toa Rangatira Statement will immediately guide some GWRC projects.

6. Communication

Communication with external parties and with internal Greater Wellington teams on receipt by Council of the Te Awarua-o-Porirua WIP will be extensive. PCC and WCC have indicated they will receive the WIP in good faith. The community, partners and stakeholders will be advised through various channels. Printed copies of the WIP and Ngāti Toa Rangatira document will be made available, in addition to being able to download the documents from the Greater Wellington website.

7. Consideration of climate change

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

7.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matter on the climate.

Officers note that the matter currently does not affect the Council's interests in the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI). However, the recommendations made by the Te Awarua-o-Porirua Whaitua Committee e.g., for whaitua-wide riparian planting, or sediment mitigation activities, have the potential to provide a co-benefit of mitigating climate change alongside the potential improvements to water quality.

7.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

An overview of the impacts of climate change in the Te Awarua-o-Porirua Whaitua was provided to the Committee. This information helped develop the WIP recommendations. Examples of how climate change has been taken into account in the WIP recommendations include:

- reviewing sediment control guidelines to ensure they are appropriate for more extreme weather events and
- ensuring new development practices help manage the likely hydrological effects of both more extreme weather events and more intense dry periods.

8. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

8.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers advise that the matters contained in the Te Awarua-o-Porirua WIP may lead to decisions that may have medium or high significance.

8.2 Engagement

Engagement on the matters contained in this report aligns with the level of significance assessed. The Te Awarua-o-Porirua Whaitua Committee has undertaken significant engagement with the community, partners and stakeholders over a number of years to develop the recommendations in the WIP.

Future engagement will be determined by future processes.

9. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Receives the Te Awarua-o-Porirua Whaitua Implementation Programme.*
4. *Receives the Te Awarua-o-Porirua Whaitua Implementation Programme - Ngāti Toa Rangatira Statement*
5. *Agrees to refer the regulatory proposals within the WIP and Ngāti Toa Rangatira Statement to Te Upoko Taiao – Natural Resources Plan Committee for incorporation into the Regional Plan through a plan change or variation process.*
6. *Agrees to further develop the non-regulatory proposals within the WIP and Ngāti Toa Rangatira Statement in conjunction with relevant external organisations, and to consider them in the development of the next Long Term Plan.*

Report prepared by:

Tim Sharp
Whaitua Programme
Manager

Report approved by:

Matt Hickman
Manager, Environmental
Policy

Report approved by:

Alistair Cross
General Manager,
Environment Management
Group

Attachment 1: Te Awarua-o-Porirua Whaitua Implementation Programme

Attachment 2: Te Awarua-o-Porirua Whaitua Implementation Programme - Ngāti Toa Rangatira Statement

Te Awarua-o-Porirua Whaitua Implementation Programme

Te Awarua-o-Porirua Whaitua Committee, April 2019



Te Awarua-o-Porirua Whaitua Committee

Front cover: Image of Porirua Harbour looking south



Te Awarua-o-Porirua
Whaitua process is the
collaborative discussion
on the future of our
streams and rivers, the
water that connects us, the
land and our communities,
and how we manage
and protect our natural
resources.

Stu Farrant
Te Awarua-o-Porirua Whaitua Committee Chair

Foreword from Te Awarua-o-Porirua Whaitua Committee Chair

Like most areas of New Zealand, the communities within the Te Awarua-o-Porirua catchment have been defined by their intimate relationship with water.

Early Māori established kāinga (villages) to utilise the abundant mahinga kai (food harvested from the streams, estuary and land) and other resources, travel routes and to seek protection from invaders. Early European development rapidly spread along the catchment's streams and relied on the reclamation of tidal margins for rail and road links and the development of what later became Porirua's town centre and Elsdon. As the population grew, infrastructure was developed to drain stormwater and wastewater and protect the growing communities from flooding and waterborne diseases.

In more recent times, residential development has substantially changed landforms and resulted in streams being piped and surfaces paved, with increasing volumes of stormwater discharged to streams and Te Awarua-o-Porirua harbour. In the rural areas of the catchment, hills once cloaked in dense and ecologically rich forests were cleared for pastoral farming which now forms the ubiquitous backdrop to Pauatahanui Inlet and beyond. This removal of forests has exposed headwater streams and opened the landscape to livestock and exotic plants unfamiliar to pre-European New Zealand.

These changes were all made with the best intentions as communities grew to serve increasing populations. The changes were driven by the technologies and practices of the time and followed a similar path taken in other centres in New Zealand and overseas. Unfortunately, the result of this widespread

transformation of the catchment has been a steady decline in the quality of fresh and coastal waters and the health of ecosystems. Contaminants are flushed from urban and rural land and aging infrastructure struggles to serve the demands of a growing population, with overflows of wastewater a common occurrence during large rainfall events. These water quality issues, coupled with extensive infilling and reclamation, have resulted in the severance of communities from the once abundant waterways and food and other resources they provided. For Ngāti Toa, this severance includes the loss of the ability to harvest seafood to provide for whanau and visitors, affecting the capacity for manaakitanga (hospitality) and by extension, the iwi's sense of mana (prestige or authority).



Swimming and recreation are now limited in the catchment by poor water quality, particularly following rainfall events, even over relatively short periods. For most people these changes are an unwanted consequence of development, and an increasing chorus of alarm tells us that change is needed to protect and restore our waters and return 'te mauri o te wai' (the life force of waterways).

The Whaitua Committee for Te Awarua-Porirua was established to examine the issues faced in our catchment to understand the community's values and aspirations for the catchment and to develop options to address these issues. This process enabled the community voice to be central to decision-making, as Greater Wellington Regional Council aims to establish water quality objectives, limits and targets which meet the requirements of the National Policy Statement for Freshwater Management (NPSFM) and to provide a pathway towards improving the ability of our communities to engage, explore and interact with our fresh water and coastline. To do this, we had to digest a huge amount of information and seek advice from a wide range of experts, council personnel and our Ngāti Toa partners. This process has in itself been rewarding and has resulted in what we believe to be thorough and comprehensive recommendations to support healthier waterways in the future.

Our understanding of the causes and impacts of the degradation of water quality is increasingly supported by robust science which confirms what the community has known for some time. As national policy has responded to community and iwi alarm at freshwater quality across New Zealand, cities internationally have moved towards improved practice to mitigate the effects of historical issues, and to minimise the impacts of future land use. Water sensitive design principles are increasingly being adopted in urban and rural areas to manage and treat runoff and to manage land use to reduce impacts on fresh water. The opportunity for urban

and rural communities within the catchment to adopt innovative and more integrated thinking about water is immense and offers the potential for transformative change. Education and behaviour change at all levels of society can also support improvements as people understand their individual role in the water system. And finally, infrastructure upgrades will be critical to ensuring that the extensive wastewater and stormwater networks function as intended, but these works will come at a high cost. We considered a wide range of options and scenarios which have tested combinations of all of these opportunities and used these as the basis for recommendations, with the goal of turning around the historical decline in water quality.

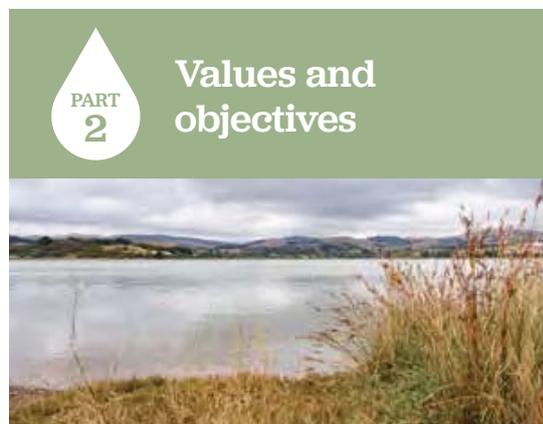
In future years, we look forward to seeing the sparkling waters of Te Awarua-o-Porirua brought back to life as the streams which nourish it are cleansed and protected. The whaitua process has been a long road to date and we are only at the beginning. It will be the future communities that most benefit most from changes that we make now, and it is this inter-generational vision which keeps us motivated.

Thank you for all the hard work put in by the highly committed and capable committee members, project team, technical support and members of the community who have contributed to this process to date.



Stu Farrant
Chair, Te Awarua-o-Porirua
Whaitua Committee

Contents



Foreword	i
Contents	iii
Abbreviated terms	vi
Executive Summary	vii
1 Background	3
1.1 How to read the WIP	3
1.2 Te Awarua-o-Porirua Whaitua Committee	4
1.3 Ngāti Toa Rangatira	5
1.3.1 Ngāti Toa Rangatira’s role in the committee	6
1.4 The value of water	7
1.5 Te Awarua-o-Porirua Whaitua and the pressures on its water bodies	7
1.6 The National Policy Statement for Freshwater Management (NPSFM)	11
1.6.1 Greater Wellington Regional Council’s implementation of the NPSFM	12
1.7 Development of Te Awarua-o-Porirua Whaitua Implementation Programme (WIP)	13
1.8 Significant change required	14

2 What the community values about Te Awarua-o-Porirua	17
3 Te Awarua-o-Porirua Water Management Units	19
4 Te Awarua-o-Porirua Objectives	22
4.1 Background	22
4.2 Pathogens	23
4.3 Toxicants	23
4.3.1 Ammonia	23
4.3.2 Nitrate	24
4.3.3 Zinc and copper	24
4.4 Ecological Objectives	25
4.4.1 Periphyton	25
4.4.2 Macroinvertebrate Community Index (MCI)	26
4.4.3 Native fish	27
4.4.4 Macroalgae	27
4.5 Sedimentation rate and muddiness	28
4.6 Habitat	29
4.7 Summary of Objectives	30
4.8 Narrative habitat objectives	33
4.9 Achieving community and Ngāti Toa Rangatira aspirations	33



5	Discharge limits and targets	37	7.5	Further investigations and monitoring	52
5.1	Limits and targets for <i>E. coli</i>	38	7.6	Citizen science	53
5.2	Limits and targets for Ammonia	38	7.7	Compliance and enforcement	53
5.3	Limits and targets for Total Nitrogen and Total Phosphorus	39	8	Urban development	54
5.4	Limits and targets for Zinc and Copper	39	8.1	Background	54
5.5	Limits and targets for sediment	40	8.1.1	Key issues and drivers	54
5.6	Step-down limits to meet targets	41	8.1.2	Policy package for urban development	54
5.7	Criteria for Dissolved Inorganic Nitrogen and Dissolved Reactive Phosphorus	42	8.2	Integrated planning to achieve multiple objectives	55
6	Stream form and function	43	8.3	Water quality and in-stream flow effects of new urban development	58
6.1	Development of an aquatic ecosystem and habitat action plan	43	8.3.1	Greenfield development areas	58
6.2	Improved management of riparian margins	45	8.3.2	Water-sensitive urban design	59
6.3	Improving stream form and function	46	8.3.3	Flow variability	60
7	Whaitua-wide responses	49	8.4	Stormwater discharges	63
7.1	Support for catchment groups	49	8.5	Reducing the contaminant load from existing urban areas	64
7.2	Raising the profile of water and improving 'water literacy'	50	8.5.1	Stormwater mitigations and redevelopment within the existing urban areas	64
7.3	Encouraging innovation and continuous improvement	51	8.5.2	Existing urban development and land use activities	65
7.4	Agencies need to lead by example	52	8.5.3	Vehicular sources	67

9	Wastewater discharges	68	13	List of recommendations	88
9.1	Background	68	14	Appendices	100
9.1.1	Issues and drivers	68	14.1	Appendix 1: Public engagement activities to develop values	100
9.1.2	The wastewater system	68	14.2	Appendix 2: Additional attribute tables to develop freshwater and coastal water objectives for Te Awarua-o-Porirua Whaitua	101
9.1.3	Wastewater in urban areas	70	14.2	Appendix 3: Summary of current state and freshwater and coastal water objectives for Te Awarua-o-Porirua Whaitua	108
9.2	Wastewater networks	71			
9.2.1	Improvements to wastewater treatment plant and network	71			
9.2.2	Improvements to the private wastewater network	73			
10	Earthworks and forestry	75			
10.1	Background	75			
10.2	Earthworks	75			
10.3	Forestry	77			
11	Rural topics	78			
11.1	Management of erosion prone land	78			
11.2	Cultivation, break-feeding, vegetation clearance	80			
11.3	Stock access to waterways	80			
11.4	Wastewater in rural areas	82			
12	Water abstraction	83			
12.1	Background	83			
12.1.1	Issues and drivers	83			
12.1.2	Demand for taking water	83			
12.2	Water quantity management units	85			
12.3	Water quantity limits	85			
12.4	Permitted activities	86			
12.5	Resource Consents	87			

Abbreviated terms

Abbreviated terms	
ARI	Average recurrence interval
DIN	Dissolved Inorganic Nitrogen
DRP	Dissolved Reactive Phosphorus
<i>E. coli</i>	<i>Escherichia coli</i>
FMU	Freshwater Management Unit
Greater Wellington	Greater Wellington Regional Council
Harbour Strategy	Porirua Harbour and Catchment Strategy and Action Plan
LIM	Land Information Memorandum
LUC	Land Use Classification
MALF	Mean annual low flow
MCI	Macroinvertebrate Community Index
MfE	Ministry for the Environment
NESPF	National Environmental Standard for Plantation Forestry
NOF	National Objective Framework
NPSFM	National Policy Statement for Freshwater Management
PCC	Porirua City Council
PNRP	Proposed Natural Resources Plan for the Wellington Region
RMA	Resource Management Act 1991
the Committee	Te Awarua-o-Porirua Whaitua Committee
the Whaitua	Te Awarua-o-Porirua Whaitua
WCC	Wellington City Council
Wellington Water	Wellington Water Limited
WIP	Te Awarua-o-Porirua Whaitua Implementation Programme
WMU	Water Management Unit (includes coastal and harbour units)

Executive Summary

This document, Te Awarua-o-Porirua Whaitua Implementation Programme (WIP), is the culmination of careful deliberation, consultation and analysis over the last four years, led by the Te Awarua-o-Porirua Whaitua Committee (the Committee).

The Committee was established in December 2014 by Greater Wellington Regional Council (Greater Wellington) in response to the National Policy Statement for Freshwater Management (NPSFM) to provide advice and direction on how to manage land and water within Porirua and Northern Wellington's catchments. The Committee is comprised of elected members from Greater Wellington, Porirua City Council (PCC) and Wellington City Council (WCC), as well as representatives of Ngāti Toa Rangatira¹ and other representatives from the community with an interest and/or expertise in fresh water. The Committee worked with council officials, scientific and technical experts, Ngāti Toa Rangatira and local communities to develop the WIP, which identifies the key issues within Te Awarua-o-Porirua Whaitua (refer Figure 1, Map of the Whaitua), sets objectives and limits, and makes a series of recommendations aimed at achieving these objectives.

The Committee identified a range of pressures on water throughout Te Awarua-o-Porirua. The most significant issues are:

- inadequately performing stormwater and wastewater networks, which, along with an expanding area of impervious surfaces, puts pressure on waterways in times of high rainfall and contributes to sediment and contaminants flowing into streams and the harbour. These contaminants put people at risk of illness when swimming or gathering shellfish or other foods

- erosion in rural parts of the Whaitua which contributes significantly to sediment in streams and the harbour
- modification of stream channels and mouths and the harbour itself, resulting in the loss of habitat for freshwater and marine species, as well as birds.

The Committee has made 75 recommendations, comprised of both regulatory and non-regulatory measures which aim to achieve the objectives the Committee has set for the Whaitua. The responsibility for implementing the bulk of these recommendations lies with Greater Wellington, Porirua City Council, Wellington City Council and Wellington Water, in partnership with Ngāti Toa Rangatira and the wider community.

The recommendations involve:

- amending the existing policy and rule framework – within the proposed Natural Resources Plan for the Wellington Region (PNRP), relevant district plans, or in associated strategies or guidance. One recommendation relates to developing a new stand-alone action plan for aquatic ecosystems and habitats
- aligning planning across the district and regional level to achieve the objectives of the WIP

¹ Ngāti Toa Rangatira refers to the people from the Ngāti Toa tribe of the Kawhia area, who migrated south in the early 19th century, led by their Rangatira, including chiefs Te Rauparaha, Te Rangihaeata and Nohorua.

- identifying opportunities and taking measures to restore freshwater quality and environments, and to address pressures on the Whaitua's waterbodies. Specific areas of focus include:
 - riparian protection, natural form and character of waterways and ecosystem health
 - stormwater and wastewater infrastructure (including onsite systems)
 - urban development practices
 - silt and sediment control
 - stock exclusion
 - water takes (abstraction)
- leveraging partnerships with industry, rural landowners, community groups and the public through awareness-raising, encouraging innovation, encouraging citizen science and the establishment of additional catchment care groups
- advocacy to central government to change the regulatory framework at a national level (in relation to chemical cleaning products and high zinc and copper-yielding materials used in building and vehicles)
- a further focus, which is cutting across all issues, is an improvement in monitoring, compliance and enforcement (by Greater Wellington, PCC and WCC, as the regulatory authorities).

It is anticipated that these recommendations will be implemented over time to achieve the WIP objectives by 2040.







Introduction



Background

The whaitua process is a new way for a regional council to look at water management as it puts the community in the driving seat for decision making. This community-led, collaborative approach aims to ensure that the future state of Te Awarua-o-Porirua's streams and harbour meet the aspirations of those most closely connected with them.

This Whaitua² Implementation Programme (WIP) is a non-statutory report developed by Te Awarua-o-Porirua Whaitua Committee (the Committee) providing advice and direction on how best to manage land and water within Porirua and northern Wellington's catchments. Developed through discussions with Ngāti Toa Rangatira, local communities, local authority officers and scientific experts, the WIP identifies specific issues facing Te Awarua-o-Porirua Whaitua, sets objectives and limits, and provides strategies to address issues to meet community aspirations.

The recommendations in this WIP are intended to be implemented by Greater Wellington working with Ngāti Toa Rangatira, partner organisations and the community. Some recommendations will become part of a plan change for Te Awarua-o-Porirua Whaitua within the proposed Natural Resources Plan for the Wellington Region (PNRP). Other recommendations will be implemented through changes to strategic and operational planning undertaken by Greater Wellington, and will affect the way resources are allocated in the future.

Some recommendations apply to Porirua and Wellington City Councils³ (PCC and WCC respectively), and Wellington Water Limited⁴ (commonly known as 'Wellington Water'), and as such, a coordinated response from all agencies will be necessary. These agencies, together with Greater Wellington and Ngāti Toa Rangatira, are key partners in the Te Awarua-o-Porirua Harbour and Catchment Strategy and Action Plan (the Harbour Strategy). The Harbour Strategy will be updated to clarify how these agencies intend to deliver the implementation of the non-regulatory components of this WIP.

1.1 How to read the WIP

Part 1 (Sections 1.2 – 1.8) introduces the Committee, its role and the consensus decision-making process used. It reflects on the history of Ngāti Toa Rangatira as mana whenua and their role within the whaitua process. It discusses the value of water at a national level before describing the local context, state and pressures associated with Te Awarua-o-Porirua. It provides the context for the development of this WIP and covers the overarching legislative framework.

2 Whaitua are sub-regions of Greater Wellington. There are five whaitua within the Greater Wellington Region.

3 The majority of the Whaitua falls within the boundaries of WCC and PCC. At the fringes of Whaitua there are very small areas of land that fall within the Hutt City Council, Upper Hutt City Council and Kāpiti Coast District Council boundaries. The recommendations in this WIP apply equally to this land which is predominantly rural and therefore the relevant recommendations tend to be directed at Greater Wellington.

4 Wellington Water Limited was established in 2014 and is jointly owned by the Hutt, Porirua, Upper Hutt and Wellington City Councils, and Greater Wellington Regional Council. Its role is to manage the drinking water, wastewater and stormwater services of the councils.

Part 2 (Sections 2 – 4) describes the communities' values in relation to the freshwater and harbour within Te Awarua-o-Porirua Whaitua, discusses how the Whaitua has been geographically and spatially delineated, and sets out the objectives developed by the Committee to support and sustain these values.

Part 3 (Sections 5 – 12) outlines the limits, policies and methods to achieve the objectives.

A companion document has been prepared by Ngāti Toa Rangatira which should be read in conjunction with this WIP. See Section 1.3.1 for further detail and context.⁵

1.2 Te Awarua-o-Porirua Whaitua Committee

The Committee (refer Table 1) is an advisory body established in December 2014 by Greater Wellington in response to the NPSFM. It brings together representatives of the community with mana whenua and elected members from Greater Wellington, PCC and WCC.

The Committee is responsible for developing a WIP that sets freshwater and coastal water objectives and outlines regulatory and non-regulatory methods for integrated land and water management within the Te Awarua-o-Porirua Whaitua boundary, including measures to implement the NPSFM. The Committee met once every six weeks from December 2014 until November 2017, with meeting frequency increasing to once every three weeks between March and December 2018.

Table 1: Te Awarua-o-Porirua Whaitua Committee members (2014-2019). A number of representative changes occurred during this period.

Name	Representation	Period on Committee
Cr Barbara Donaldson	Wellington Regional Council	Dec 2014 - 2019
Cr Bronwyn Kropp	Porirua City Council	Dec 2014 – Oct 2016
Cr Dale Williams	Porirua City Council	Nov 2016 - 2019
Cr David Lee	Wellington City Council	June 2015 - 2019
Cr Malcom Sparrow	Wellington City Council	Dec 2014 – June 2015
Diane Strugnell	Community	Dec 2014 - 2019
Hikitia Ropata	Te Upoko Taiao (Natural Resources Plan Committee)	May 2017 - 2019
Jennie Smeaton	Community	Dec 2014 - May 2018
John Gibbs	Community	Dec 2014 - 2019
Dr John McKoy	Community	Dec 2014 - 2019
Larissa Toelupe	Community	Dec 2014 - 2019
Naomi Solomon	Te Upoko Taiao (Natural Resources Plan Committee)	Dec 2014 – April 2017
Richard Cook	Community	Dec 2014 – Dec 2018
Sharli-Jo Solomon	Ngāti Toa Rangatira representative	Dec 2014 - May 2018
Stu Farrant (Chair)	Community	Dec 2014 - 2019
Warrick Lyons	Community	Dec 2014 - 2019

⁵ <http://www.gw.govt.nz/te-awarua-o-porirua-whaitua/>

1.3 Ngāti Toa Rangatira

Mai i Miria-te-kakara ki Whitireia,
Whakawhiti te moana Raukawa ki
Wairau, ki Whakatū,
Te Waka Tainui.

Ko Whitireia te maunga
Ko Raukawa te moana
Ko Tainui te waka
Ko Ngāti Toarangatira te iwi
Ko Te Rauparaha te tangata.

Whitireia is the mountain
Raukawa (Cook Strait) is the sea
Tainui is the waka
Ngāti Toarangatira is the tribe
Te Rauparaha is the person.



Toa Rangatira, the ancestor who gave his name to Ngāti Toa, resided at Kāwhia on the west coast of Waikato-Tainui rohe around the 17th century. Ngāti Toa occupied the coastline from Aotea to Huikomako, about 100 km south of Kāwhia. In 1819, the great leader, Te Rauparaha, led a scouting expedition to the Cook Strait to find a new home for his people. From a well-known lookout point at Omere near Cape Terawhiti, Te Rauparaha noticed a trading ship passing through the Cook Strait. Recognising the strategic importance of the Strait as a major trading route, Te Rauparaha led Ngāti Toa in a historic resettlement campaign from Kāwhia.

From the time Ngāti Toa first settled in the Porirua area in the early 1820s, the Porirua Harbour has occupied a central place in the livelihood and identity of Ngāti Toa as a people. Not only was it a source of abundant food, it was also important strategically and was therefore closely controlled by the chiefs of Ngāti Toa. Te Rauparaha is reputed to have told Governor Grey that whoever held Paremata and Porirua Harbour controlled the northern approaches to Wellington and this advice was reflected in the Crown's military strategy to control the area.

By 1840 Ngāti Toa Rangatira was established as the pre-eminent iwi dominating the Kāpiti, Wellington, and Te Tau Ihu (northern South Island) regions. Ngāti Toa held a maritime monopoly in the Cook Strait involving a de facto military, and political and economic power in the region that was acknowledged by other Māori and European settlers.

Following the detention of Te Rauparaha by the Crown in 1846, Takapuwhāhia, located on the western side of Porirua Harbour, became the most important Ngāti Toa kāinga (village) for Ngāti Toa. It has been the primary base for Ngāti Toa ever since, encompassing marae (communal place) and whareniui (meeting house) established at Takapuwhāhia and Hongoeka. Paremata, at the entrance to the eastern arm of Porirua Harbour, was another important area of settlement. Paremata Pā was constructed in the 1830s and was the residence of Nohorua, the older brother of Te Rauparaha. Whitireia, on the southern side of the entrance to Porirua Harbour, is another important area of occupation and includes many significant sites including urupā, kainga, pā, middens, pits, terraces, and tauranga waka (landing and anchorage sites).

Porirua Harbour was the primary source of food for the settlements located around it. The tuangi (or New Zealand cockle, *Austrovenus stutchburyi*) could be gathered in abundance from the mud flats and was the most highly prized of all shellfish in the area. A sand bank located in the eastern arm of the harbour (named Ngā Whatu o Topeora after Te Rauparaha’s niece) was an important mahinga kai and site of a storehouse. Kōura (freshwater crayfish), pāua, and kina (sea urchin) were all in abundance along the coast, and tuangi, mussels, and a wide variety of fish were all found in the harbour. However, development of road, rail and reclamations destroyed many of these mahinga kai sites, particularly in the Onepoto Arm.

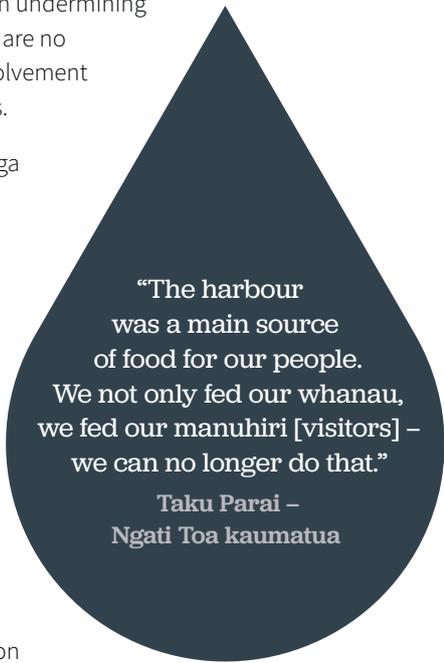
From the mid-nineteenth-century, the iwi’s control over the harbour and surrounding land was challenged by the Crown and European settlers. However, its key role in restoring the health of the catchment is now widely recognised.

1.3.1 Ngāti Toa Rangatira’s role in the committee

Ngāti Toa is a foundation member of Te Awarua-o-Porirua Whaitua Committee. Ngāti Toa are the kaitiaki of Te Awarua-o-Porirua, a role that was recognised by the Crown in Ngāti Toa’s Treaty settlement legislation. The purpose of this acknowledgment is to enhance the ability of Ngāti Toa to exercise its role as kaitiaki, and to provide for more effective iwi participation in resource management processes. Section 7(a) of the Resource Management Act 1991 (RMA) also requires decision makers to ‘have particular regard to kaitiakitanga’.

Over the decades, the Iwi has been frustrated by the effects of intensified land use around the harbour, reclamations to the harbour’s edge and contamination of its waters (from sediment, stormwater and raw sewage prior to the treatment plant being built). Ngāti Toa’s cultural impact assessment for the Transmission Gully roading project documents the cumulative effect of these activities in undermining the health of the harbour to the point where the people of Ngāti Toa are no longer able to harvest kaimoana as their ancestors did. The iwi’s involvement in the Whaitua was therefore fundamental to the process at all levels.

Notable in the process was Ngāti Toa’s assertion of tino rangatiratanga (self-determination, sovereignty, or autonomy). The abstention of its iwi representatives from the Committee process for a period of time provided Ngāti Toa the opportunity to carefully review and articulate their views in relation to potential cultural effects and their recommendations for the Te Awarua-o-Porirua Whaitua chapter of the PNRP. This is important in the context of the iwi’s resource planning and also provided for in the settlement legislation, which empowers the iwi to exercise its role as kaitiaki in a manner that is agreeable to it. For the Committee, recognising and accepting this as part of Ngāti Toa’s process ensured that the final document remained authentic to Ngāti Toa and for the Committee. This reflects the mana of everyone on the Committee, and is a true example of an outcome that is mana-enhancing for all. To that end, Ngāti Toa have developed a companion document which records their vision and aspirations for the Whaitua as kaitiaki.⁶



⁶ <http://www.gw.govt.nz/te-awarua-o-porirua-whaitua/>

1.4 The value of water

Our Fresh Water 2017 provides a national picture of the state of New Zealand's freshwater environment. It states that fresh water supports almost every aspect of life.⁷ We use fresh water for drinking, for producing goods and services, and for recreation. Māori tribal identity is linked to both fresh and coastal waters, with each water body having its own mauri (life force). *Ki uta ki tai* (from the mountains to the sea) captures the movement of water through the landscape and the many interactions it has on its journey. *Ki uta ki tai* acknowledges the connections between the atmosphere, surface water, groundwater, land use, water quality, water quantity, and the coast. It also recognises the connections between people and communities, people and land, and people and water. This holds true not only at a national level but also at a regional and local level.

Throughout New Zealand, water quality and ecosystem health have declined significantly over recent decades. The Land and Water Forum⁸ stated that New Zealand has made good progress in clearing up point source pollution over the last twenty years, but monitoring shows that our water quality is declining in many places, particularly in lowland water bodies.⁹ Also, urban waterways remain highly polluted, including on account of sewage leakages, stormwater run-off and discharges from industrial factories. Declining water quality impacts on biodiversity, aquatic ecosystems and instream uses such as swimming and food harvesting. It can also affect human and animal health.

1.5 Te Awarua-o-Porirua Whaitua and the pressures on its water bodies

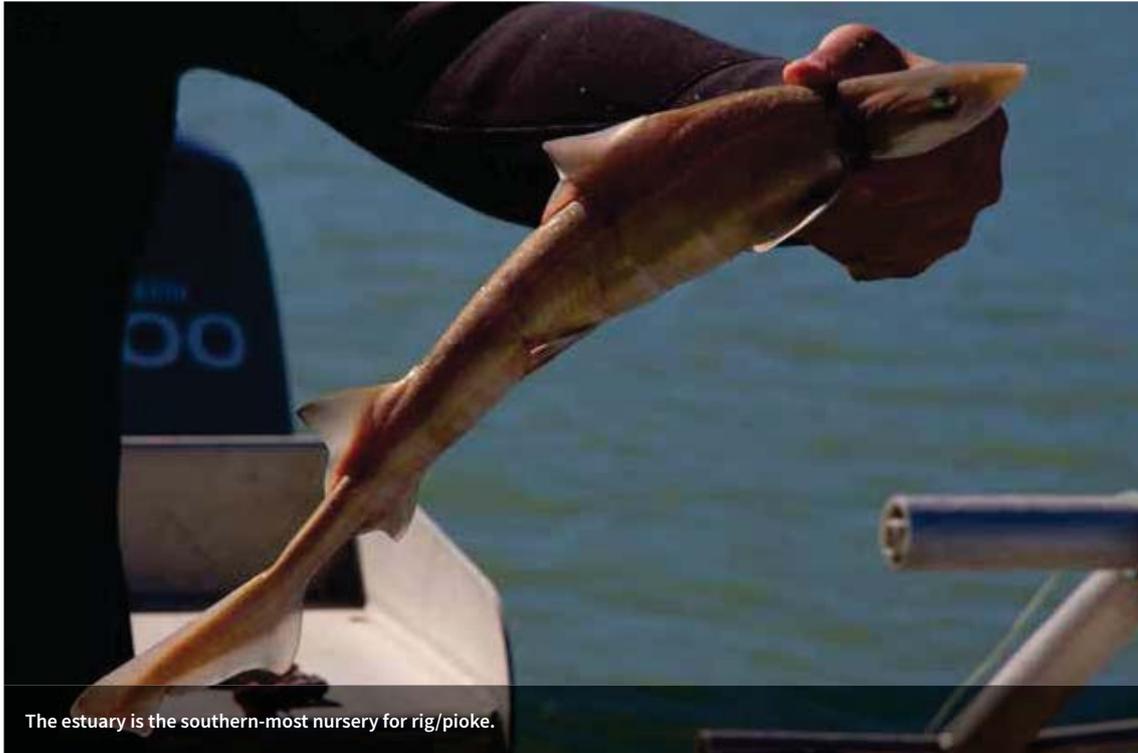
There are over 275km of streams in Te Awarua-o-Porirua Whaitua – most of which flow into the two arms of the Porirua Harbour. The largest streams are the Porirua (including Kenepuru Stream), Pauatahanui and Horokiri. The majority of the urban area is located in the Onepoto Arm catchment, with other areas located along the fringes of the Pauatahanui Arm and within the Titahi Bay, Pukerua Bay and Taupō Stream catchments. These urban areas provide for a mix of residential, commercial and industrial land uses.

Te Awarua-o-Porirua Harbour is the largest estuary in the lower North Island and proportionately has the largest subtidal area (60%) of any estuary in New Zealand. It contains a nationally significant wildlife management reserve (Pauatahanui). The estuary has high ecological values - it supports high concentrations of shellfish, such as tuangi, as well as some of the last remaining seagrass beds in the region which form an important habitat and nursery for fish.

7 Ministry for the Environment & StatsNZ (2017) New Zealand's Environmental Reporting Series: Our fresh water 2017. Retrieved from www.mfe.govt.nz and www.stats.govt.nz

8 Land and Water Forum (2010). Report of the Land and Water Forum: A Fresh Start for Fresh Water <http://www.hortnz.co.nz/assets/Uploads/First-Report-of-the-Land-and-Water-Forum.pdf>

9 Land and Water Forum (2010). Report of the Land and Water Forum: A Fresh Start for Fresh Water <http://www.hortnz.co.nz/assets/Uploads/First-Report-of-the-Land-and-Water-Forum.pdf>



The estuary is the southern-most nursery for rig/pioko.

However, the harbour also has the highest density of adjacent roading of any harbour or estuary in New Zealand and has a comparatively small opening to the sea, making it vulnerable to many pressures.

The harbour edge and its surrounding catchments were once forested in dense lowland podocarp forest and hardwood forest (including kohekohe, tawa, titoki, kahikatea, tōtara, rāta, miro and rimu) prior to European settlement. The felling and burning of this forest to make way for farmland and settlements has contributed to an increased sediment load in streams and in the harbour.

Today, many people perceive the harbour and streams as dirty and undesirable places to be. This perception and disconnection diminish people's sense of responsibility for sustaining and caring for the wellbeing of Porirua's waterways and estuary. Many people no longer see or know where streams come from or go to, and access to them and many parts of the harbour is difficult. Moreover, signs warning people not to swim or collect food create a further sense of disconnection from people's sense of place. Degradation of water bodies may also have financial and social implications because it compels people to travel to alternative swimming/food sources or to purchase food that could otherwise have been collected. Water pollution also exposes people to unnecessary health risks, because, despite the health warnings, they may choose to swim and collect food from the harbour and streams.

The species of native fish and other freshwater fauna originally found in the streams are under stress; some are no longer present or are in decline. Suitable habitat has decreased, the stream channels along which fish move to feed or spawn have become more difficult to navigate due to barriers and other impediments, water quality has become increasingly degraded and toxic in several cases, and introduced and invasive aquatic and riparian species compete for space and food. These pressures all combine to reduce species' resilience to future changes in the environment such as climatic conditions.

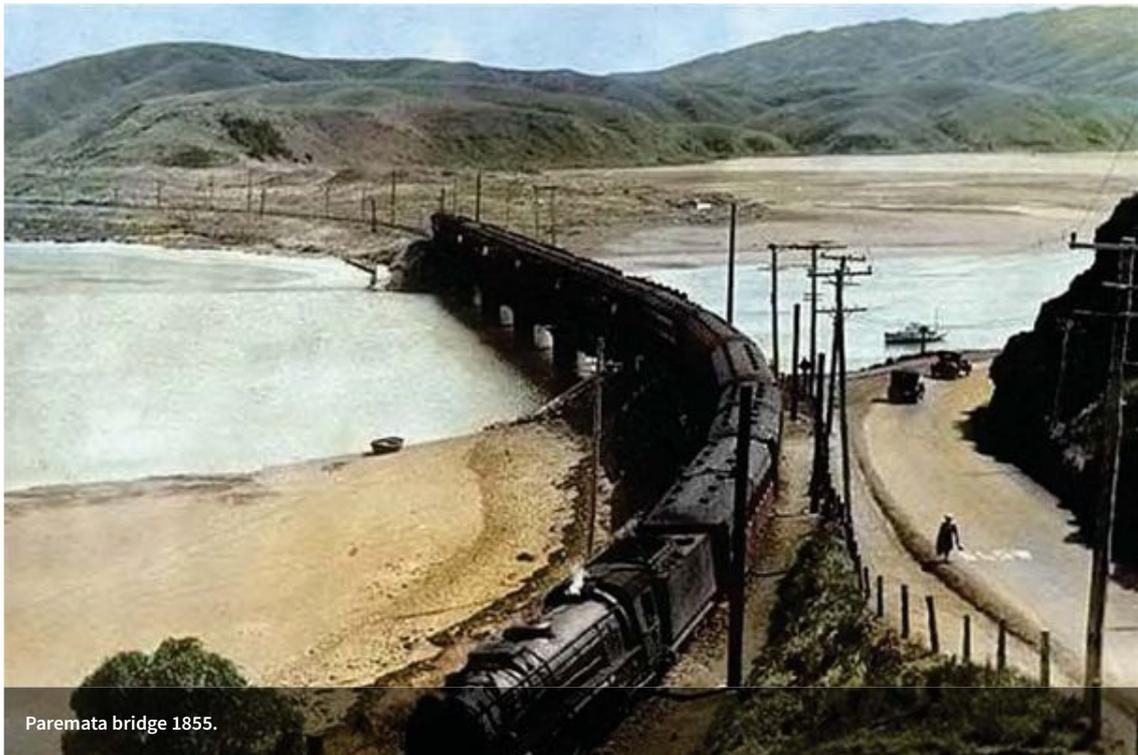
There are multiple pressures on water bodies throughout Te Awarua-o-Porirua – some historical and others new. In urban areas, extensive areas of impervious surfaces created by roofs, roads, parking lots and driveways increase water volumes and flow peaks when it rains, flooding streams and causing streambank erosion. Many of the lower urban reaches of streams have been modified, channeled, straightened, piped and/or concreted, and offer limited habitat for aquatic life. Stream mouths have been modified by reclamation, earthworks and the building of the railway line and state highways, resulting in the loss of important spawning, nursery and feeding grounds for freshwater and marine life as well as birds.

Stormwater management in Porirua and North Wellington has used traditional design and engineering approaches with little emphasis on reducing the effects on the variable flow of streams or the volume, rate and frequency of stormwater runoff discharges.

Stormwater issues have been exacerbated not only by the incidence of localised heavy downpours but also the increased intensification of urban development (infill and high rise). The wastewater network is old and does not have adequate capacity for the current population, let alone the projected growth of Porirua and Wellington cities. It is also compromised by inflows from the stormwater network through incorrect connections or in many places the poor condition of both the stormwater and wastewater pipes. This all contributes to increased instances of wastewater overflows.

Issues in the rural areas of Porirua are also significant, particularly the contribution of sediment into streams and the harbour as a result of land erosion. Much of this erosion is related to historical forest clearance, but is exacerbated by unsustainable farming practices such as the grazing of stock on very steep sloping land. Stock access to waterways increases pathogen loads in streams and the harbour and the associated trampling of streambanks further adds to the sediment load as well as affecting habitat and natural character of streams.

Some of these pressures continue to grow today as the region's population increases and new areas are developed for housing. Under the National Policy Statement for Urban Development Capacity (NPSUDC), local councils are required to enable sufficient development capacity for housing and business. Providing for this growth is acknowledged by the Committee, as long as it is achieved within environmental limits required under the NPSFM. The impacts of future urban development can be reduced (but not eliminated) through environmentally-sensitive approaches to land development (including for example, the inclusion of rain gardens or wetlands to absorb stormwater), and the adoption of the best possible infrastructure, wastewater and stormwater management practices.



1.6 The National Policy Statement for Freshwater Management (NPSFM)

The RMA is the principle resource management legislation in New Zealand; its purpose is the sustainable management of natural and physical resources such as land, air and water. It also encourages integrated management of those resources as well as public participation in decision-making processes. Under the RMA, regional councils must 'give effect to' objectives and policies in a national policy statement.

In terms of freshwater, central government's objectives are set out in the NPSFM 2014 (amended in 2017). This instrument provides direction for local and regional councils, sets mandatory minimum freshwater standards, and includes a requirement to maintain or improve water quality. The NPSFM also has a requirement to have regard to the connections between freshwater bodies and coastal waters.

The NPSFM requires that freshwater objectives – the desired outcomes for a water body – be set in regional plans. These objectives must be clear – at an adequate level of detail and on a sufficient spatial scale – and the management regime for the achievement of these objectives must be apparent to all involved.

In order to do this, freshwater management units (FMUs) must be created, and objectives and limits (the maximum amount of resource use available which allows an objective to be met), for each FMU set out in regional plans. FMUs are water management areas that identify and spatially delineate water bodies and the surrounding land that drains to those water bodies. The activities that affect land and water within these FMUs need to be managed in order to meet the freshwater objectives and limits.

The overall state of rivers, streams and lakes in an FMU must not deteriorate beyond their existing state (i.e., quality must be maintained). Where the existing state is below a national bottom line, a freshwater objective must be set at the bottom line or higher and a management regime put in place to achieve this. However, the community may decide that the objective for a particular water body should be to improve the overall state of water bodies in an FMU and set objectives to achieve this.

Once FMUs and objectives are identified, a limit (the maximum amount of resource available for use while allowing for a freshwater objective to be met) is required to be set to meet those objectives. For example, a limit could be the total amount of water that can be taken out of an FMU, or the total amount of contaminants that can be discharged into it that allows the freshwater objective to be met.¹⁰ The NPSFM also uses the term 'targets'. This term is used when a freshwater objective is set and a limit identified but that objective is currently not met and the limit is already exceeded, also known as 'over allocation'. An example of over-allocation might be when too much water is allowed to be taken from a river meaning that the flow left in the river no longer allows for ecosystems to function. Where over-allocation occurs, the NPSFM requires that targets with specified timeframes are set to reach the objective. Having time-bound targets is a critical part of meeting objectives, particularly if the costs of change to the management regime are high.

All water bodies in New Zealand must meet two high-level freshwater objectives:

- to safeguard the life-supporting capacity, ecosystem processes and indigenous species of those waterbodies, including their associated ecosystems
- to safeguard the health of people and communities, as affected by contact with those waterbodies.

This means that 'business as usual' is not an option. New water quality and quantity limits and approaches must be applied to maintain and improve water resources.

¹⁰ For water quality, a limit is based on the assimilative capacity of the water body, or the amount of a contaminant a waterbody can deal with without adverse effects on the values that a community has for the waterbody.

1.6.1 Greater Wellington Regional Council's implementation of the NPSFM

Greater Wellington is implementing the NPSFM via changes to the PNRP and through the five whaitua community-led planning processes. Ruamāhanga was the first Whaitua progressed, and Te Awarua-o-Porirua is the second.

Planning at the whaitua scale helps to:

- identify solutions which respond directly to specific community values or concerns
- take into consideration existing and future capacity and capability of local communities to deliver solutions
- deploy a more transparent system to support collective decision-making and accountability, and
- manage water in a way that is appropriate within the local context, which benefits from local knowledge, as well as aligning with environmental and economic conditions.

The PNRP also contains objectives for the management of fresh water, coastal water and ecosystem health at a regional scale, which are relevant to Te Awarua-o-Porirua Whaitua. The objectives in this WIP must also achieve the PNRP objectives where they relate to the state of water bodies. In particular the PNRP objectives direct that:

- mauri (the 'life force' of the waterbody) is sustained and enhanced
- aquatic ecosystem health and mahinga kai are safeguarded
- fresh and coastal water is suitable for contact recreation and Māori customary use
- the health needs of people are provided for
- the natural character of water bodies is preserved and protected
- ecosystems and habitats with significant biodiversity values are protected and restored
- passage of indigenous fish and koura (freshwater crayfish) is provided for and restored.



“The community led nature of this process has been invaluable for pursuing meaningful, local solutions.”

**Barbara Donaldson –
Greater Wellington
Regional Councillor**

1.7 Development of Te Awarua-o-Porirua Whaitua Implementation Programme

The Whaitua Committee worked for four years to develop this WIP with careful consideration of the views and knowledge of many different people in the community, whānau, industry, technical advisors, council officials and government agencies throughout the duration of the process. The Committee is extraordinarily grateful for the contributions and advice provided over this time.

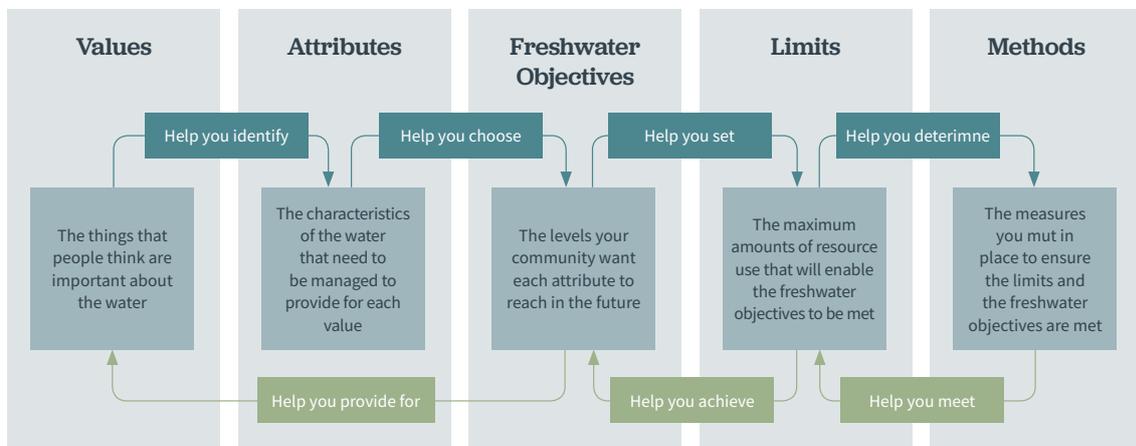
The Committee also drew on information from a range of disciplines including environmental and social sciences, economics, and mātauranga Māori to support the local knowledge it had access to. The Committee aimed to adhere to the various requirements within the RMA while recognising that, as a non-statutory committee, it was not legally bound to comply with all requirements of the RMA. Although comprehensive analysis under section 32 of the RMA was not undertaken, the Committee did consider a range of alternatives, tested scenarios, and compared the merits of these through various lenses, including cultural and economic, at key stages of the process.¹¹

An integrated catchment and harbour water quality model was developed to help inform and guide the Committee’s decisions. The purpose of the model was to accurately represent current or ‘baseline’ hydrological and water quality conditions in the Whaitua, and to enable the exploration of likely environmental and economic outcomes of alternative management approaches involving land-use change, contaminant source control and implementation of stormwater treatment devices. This helped the Committee build a picture of what the impacts and benefits might be of aiming for a particular objective.

The land-use changes and mitigations explored by the Committee were limited to those currently known. However, the Committee recognises that opportunities such as new technology, better management practices, and land-use planning can and will have an impact on reducing the time and cost required to achieve the WIP objectives.

The process used by the Committee to develop the content of this WIP drew on Ministry for the Environment’s guidance for implementing the NPSFM (see Figure 1).

Figure 1. Process for developing limits and methods to achieve freshwater objectives
(Source: Ministry for the Environment)



11 Section 32 requires an evaluation to accompany a policy statement, plan, plan change, regulation, or standard, which assesses: the appropriateness of objectives in achieving the purpose of the RMA; and the appropriateness of the policies and methods (provisions) in achieving the objectives in terms of their efficiency and effectiveness.

The objectives, limits and associated recommendations developed by the Committee collectively contribute to supporting the community values. In making decisions on objectives and deciding whether water quality should be maintained or improved, the Committee considered how to provide for a wide range of iwi, community and national values. For Te Awarua-o-Porirua Whaitua, the objectives are to maintain water quality in some places and improve water quality in others (refer Section 4 and Tables 3 and 4).

When considering timeframes, the Committee considered the impacts on groups and individuals, as well as the degree of effort (including resources) needed to make improvements. For some attributes, such as the Macroinvertebrate Community Index (MCI) which is influenced by many things (e.g., habitat, contaminants, temperature, flows levels, and sediment), assessing change and its causes will be difficult and may require significant investment – it may take a longer time-frame to observe measurable improvements.

1.8 Significant change required

Substantial effort has gone into improving and protecting Porirua’s streams and harbour in recent years. The Harbour Strategy, which both regional and local councils, Ngāti Toa Rangatira and stakeholders adopted in 2012, articulated the desire of the community to restore the harbour and streams to full health. In the Harbour Strategy, the question was asked ‘Can Porirua Harbour be saved?’, and the overwhelming scientific evidence from extensive research was ‘Yes!’

The Harbour Strategy will be updated to reflect the WIP recommendations and will be a key document guiding implementation, outlining how Greater Wellington, PCC, WCC and Wellington Water will be responsible for implementing the WIP recommendations.

Other key documents and programmes aimed at achieving improvements include:

- a current review of the Porirua District Plan which includes protection of the harbour as a key performance indicator
- an assessment of the implications of developments, such as the proposed urban development project in Stebbings Valley by WCC
- development of a business case by Wellington Water to implement change that will enable the community to recreate safely
- numerous community-led stream and harbour clean-up and restoration projects throughout the catchment.

In its deliberations, the Committee recognised these efforts as well as community aspirations for further improvements. Despite the current efforts, however, a significant step change is needed; continuing with current practices will lead to an unacceptable cost being borne by the environment and future generations. This WIP can be viewed as a road map which calls for a catchment-wide, all-of-community response.





Values and objectives

The values for Te Awarua-o-Porirua Whaitua which underpin this WIP are outlined in the following image:

YOU'VE SPOKEN, WE'VE HEARD
From Pukerua Bay to Newlands,
and everywhere in between.

Together we value...

- Kai kete \ Food basket**
The harbour, streams and coast can be used to gather and catch kaimoana and mahinga kai for food
- Hauora kaiao \ Ecological health**
The harbour, streams and coast are clean and brimming with life and have diverse and healthy ecosystems
- Ka taea e te tangata \ Accessibility and recreation**
The harbour, streams and coast are safe and accessible for people to enjoy and undertake recreational activities
- Te ara wairua o te wai \ The pathway of the spirit of the water**
The harbour, streams and coast flow naturally and with energy, attracting people to connect with them
- Whanaketanga tauwhiro o te whenua \ Sustainable development of land**
Land is developed, used and managed sustainably, recognising its effect on water quality and quantity
- Ohaoha o te wai \ Economic uses of water and waterways as a resource**
The use of water and waterways provides for economic opportunities and benefits
- Ko Te Awarua-o-Porirua he taonga tuku iho a Ngāti Toa Rangatira**
Te Awarua-o-Porirua is an ancestral treasure of Ngāti Toa Rangatira



Te Awarua-o-Porirua Water Management Units

The NPSFM requires regional councils to develop freshwater objectives and set freshwater quality and quantity limits for each freshwater management unit. In Te Awarua-o-Porirua the Committee were tasked with developing both fresh water and coastal water objectives given the high value of the harbour. Therefore, the Committee adopted the terminology 'Water Management Units' (WMUs) to recognise the management units identified for both fresh and coastal water. Where these units are in the fresh water environment they are freshwater management units (FMU) as described in the NPSFM.

In Te Awarua-o-Porirua Whaitua there are five freshwater WMUs and three coastal WMUs for setting objectives. These are described in Table 2 and shown on Figure 2.

The coastal WMUs are based on each arm of the harbour (Onepoto and Pauatahanui) and the open coastal area that abuts the Tasman Sea.

The freshwater WMUs reflect the following similarities in:

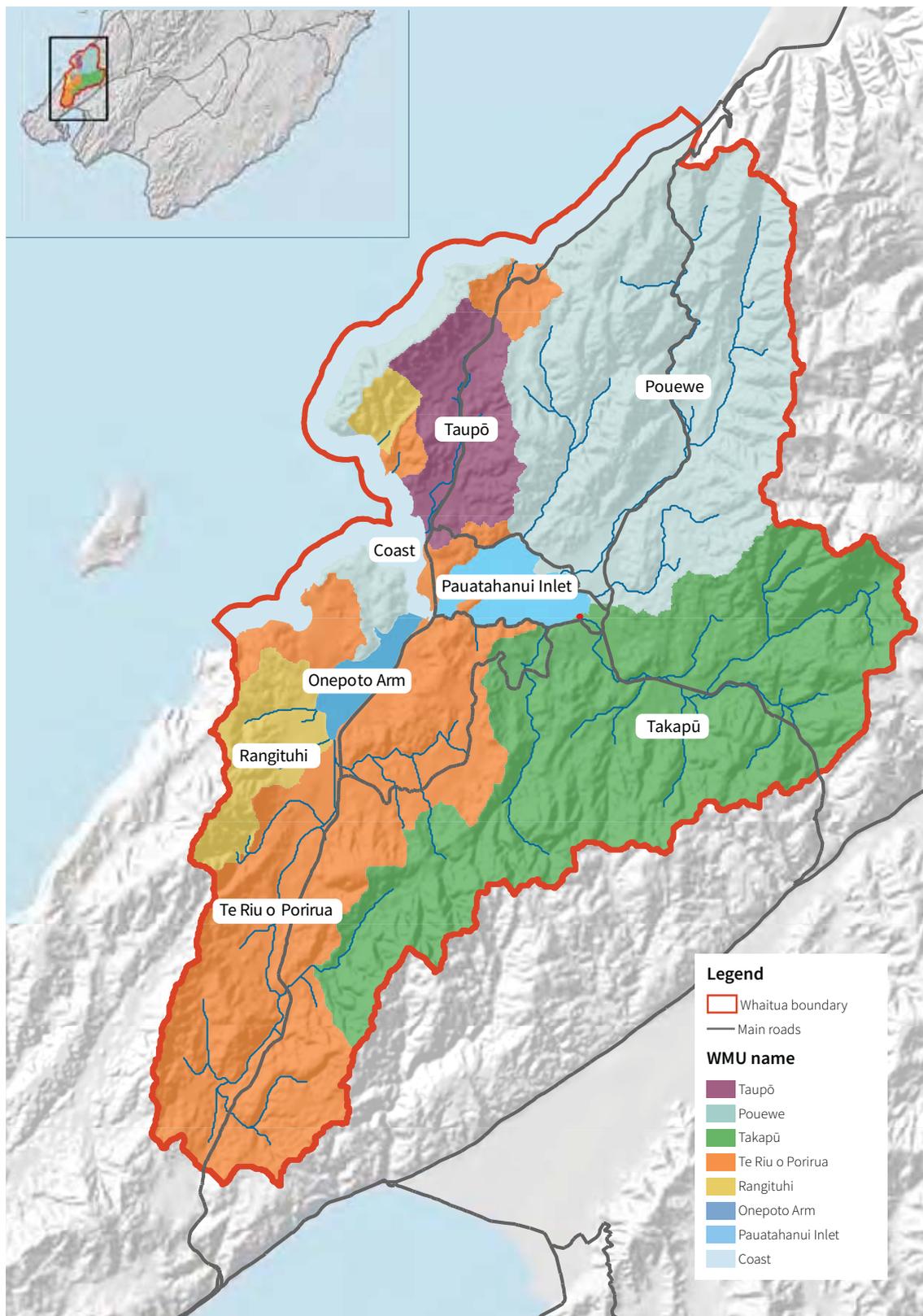
- values and objectives in catchments
- land uses in catchments
- water quality in or between catchments
- management responses that are required within a WMU.

In some cases contaminant load limits and targets are set for the freshwater WMU's (e.g. *E. coli* and ammonia), while others are set for the coastal WMU's (e.g. sediment, metals). A description of the loads, limits and targets for each WMU can be found in Section 5.

Table 2. Freshwater and coastal water management units (WMUs) within Te Awarua-o-Porirua Whaitua

	WMU Name	WMU Description
Freshwater	Taupō	<p>Taupō Stream catchment.</p> <p>A distinct WMU due to the ecological value of Taupō Swamp and the significance of this area to Ngāti Toa Rangatira.</p>
	Rangituhi	<p>The streams on the south-western side of the Onepoto Arm, including the Hukarito, Urukahika and Mahinawa streams. Also includes the headwaters/catchment above Hongoeka marae.</p> <p>Particularly significant to Ngāti Toa Rangatira given the streams' proximity to Takapuwahia and Hongoeka marae.</p> <p>The upper reaches have very good water quality and habitat to maintain.</p> <p>The lower reaches of some of these streams are piped and have poor water quality and will require significant effort to support the high values associated with them.</p>
	Pouewe	<p>Predominantly rural catchments draining directly to the sea or to the northern side of Pauatahanui Inlet, including the streams in Whitireia Park, the Kakaho, Motukaraka and Horokiri Streams and Ration Creek.</p> <p>There is greater opportunity to provide for recreational and ecological values in relation to these streams than in other rural catchments in the Whaitua.</p>
	Takapū	<p>Predominantly rural catchments on the south-eastern side of Pauatahanui Inlet, including Pauatahanui Stream, Duck Creek and the rural headwater tributaries and catchments of the Porirua Stream, including the upper Kenepuru and Takapu Streams.</p> <p>The lower part of Duck Creek is mostly urban but the high ecological and cultural values and objectives associated with Duck Creek align more with this WMU than the Te Riu o Porirua WMU.</p>
	Te Riu o Porirua	<p>Predominantly urban catchments, including those draining to Pukerua Bay and Titahi Bay, streams along the southwestern side of Pauatahanui Inlet and the Porirua Stream (including lower Kenepuru) catchment.</p> <p>Streams in these areas are generally subject to flow, habitat and contaminant-related stresses from urban development.</p>
Coast	Pauatahanui Inlet	<p>The Pauatahanui Inlet of Te Awarua-o-Porirua Harbour. This is the receiving environment for the Pouewe and Takapū WMUs and part of the Te Riu o Porirua WMU.</p> <p>In some cases the objectives for this WMU are set for intertidal and/or sub-tidal areas to recognise differences in the conditions of these two environment types.</p>
	Onepoto Arm	<p>The Onepoto Arm of Te Awarua-o-Porirua Harbour. This is the receiving environment for part of the Te Riu o Porirua and Rangituhi WMUs.</p> <p>In some cases the objectives for the WMU will be set for intertidal and/or sub-tidal areas to recognise differences in the conditions of these two environment types.</p>
	Coast	<p>The open western coast of the Whaitua, including the entrance to the harbour and the outer harbour. This is the receiving environment for the Taupō WMU and part of the Pouewe, Rangituhi and Te Riu o Porirua WMUs.</p>

Figure 2. Map of Te Awarua-o-Porirua Water Management Units





Te Awarua-o-Porirua Objectives

4.1 Background

The objectives describe the environmental outcomes sought for all the waterways and/or coastal water within each WMU and the timeframe in which they need to be achieved. Objectives can be set at a variety of scales and levels of detail and can be described narratively or numerically. A numeric objective can be expressed as either a range or a single figure, while a narrative objective may describe a desired outcome or an acceptable degree of change.

The Committee has identified objectives for freshwater, the harbour and the coast in order to deliver on the values of the Whaitua. The Committee formulated these objectives informed by many strands of knowledge, including input from Ngāti Toa Rangatira, expert assessment, knowledge and experience gained through both professional and personal capacities, and through engaging with the Te Awarua-o-Porirua communities.

Objectives are expressed in Tables 3 and 4 using the attribute states A to D (and A to E for *E. coli*) for attributes¹³ described in the National Objectives Framework (NOF) of the NPSFM.¹⁴ Where an attribute is not in the NOF (e.g., zinc and copper and coastal macroalgae), a state has been developed by experts to align with the NOF attribute state system.¹⁵

The fresh and coastal water objectives have been set to provide for the values of Te Awarua-o-Porirua Whaitua, which include the compulsory national values using the following indicators *Escherichia coli* (*E. coli*), enterococci, ammonia, nitrite, zinc, copper, periphyton, MCI, native fish, macroalgae, sediment and habitat. Some of the objectives are proxies for a broader range of contaminants – for example, zinc and copper are proxies for the range of contaminants found in urban catchments.

Objectives for all these attributes are detailed in Section 4.7 in Tables 3 and 4, while an explanation of each is provided in the following sub-sections.

13 An attribute is a measurable characteristic of freshwater, including physical, chemical and biological properties, which supports a particular value.

14 The NPSFM includes a National Objectives Framework (NOF) which identifies two mandatory 'national values' relating to ecosystem health and human health for recreation and a set of optional values (things that the community want fresh water in their region to be used for, such as swimming, crops and stock watering). The NPSFM sets a number of bottom lines for key attributes for these mandatory values, and directs how councils are to go about setting objectives for the state of water bodies and related limits on takes and discharges. There are some defined biophysical attributes (e.g. *E. coli*, periphyton, nitrate toxicity) for all rivers and lakes. Other values that must be considered include natural form and character, mahinga kai, fishing, irrigation and food production, animal drinking water, wāhi tapu, (sacred places), water supply, commercial and industrial use, transport and tauranga waka (historical places of anchorage).

15 Tables describing the banding system for attributes not in the NOF can be found in Appendix 2.

4.2 Pathogens

E. coli and enterococci are bacteria that indicate the presence of faecal material in water and therefore the possible presence of pathogens (ie, disease-causing bacteria, viruses and protozoa). These may present a risk to human health when people come into contact with them. *E. coli* concentrations are an indicator of the risk to human health in fresh water. Enterococci can survive in salt water and therefore an indicator of the risk to human health in salt water.

Current state

Current state monitoring and modelling information shows high concentrations of *E. coli* and enterococci across the Whaitua. All the freshwater WMUs are in the E attribute state for *E. coli* and the Onepoto Arm and Pauatahanui Inlet WMUs are in the D attribute state for enterococci. Therefore they are all below the national bottom line and require improvement to at least C attribute state. The one exception is the Coast WMU which is in the B attribute state for enterococci. Improvement is difficult due to the significant multiple urban and rural sources of *E. coli* contamination and the small size of the Whaitua sub-catchments with a lack of large vegetated headwater catchments to provide clean water flows capable of diluting contaminated water sources.

Objective state

Objectives for *E. coli* and enterococci have been set in the A, B or C attribute state (Table 3 for *E. coli* and Table 4 of enterococci) in order to be considered suitable for primary contact (i.e. swimming or other water recreation involving full immersion), and to meet statutory requirements and community aspirations. Reducing *E. coli* and enterococci also contributes to providing for other values such as mahinga kai and Māori customary use.

Significant improvements in urban development and rural land use practices across all WMUs will need to occur to achieve these objectives. In a number of catchments, scenario modelling showed that the objectives for pathogens could not be met through the modelled mitigations. The Committee determined however that, despite this challenge, these objectives should stand in light of NPSFM requirements and community expectations. This means that more effort will be required to meet the objectives than the level of effort assumed in the scenarios that were modelled.

4.3 Toxicants

Toxicants are substances that in certain concentrations can injure or kill animals and plants. The effects to aquatic species can be lethal or sub-lethal. Sub-lethal refers to such effects as the reduction of growth rates or reproductive success. Both effects can occur as a result of short-term exposure (over hours or days) or long-term exposure (over weeks, months or years).

4.3.1 Ammonia

Ammonia is a toxicant in freshwater that can cause lethal or sub-lethal effects for aquatic species.

Current state

Ammonia levels throughout the Whaitua are below levels likely to cause toxicant effects most of the time, but in urban areas reach peak concentrations that can have an effect on some species. These short-term peaks occur in catchments which have wastewater overflows.

Objective state

The objectives set for ammonia (Table 3) require a reduction in ammonia levels in the Te Riu o Porirua WMU and the maintenance of current levels in the other WMUs. Addressing wastewater overflows in the Te Riu o Porirua WMU will help achieve the required reductions.

4.3.2 Nitrate

Nitrate is a toxicant in freshwater that can cause lethal or sub-lethal effects to aquatic species. In many cases, nitrate concentrations need to be managed at considerably lower than toxic levels to avoid excessive periphyton and macroalgae growth.

Current state

Nitrate is below levels likely to cause toxicant effects in the Whaitua, but urban areas reach peak concentrations that can have an effect on the most sensitive aquatic species.

Objective state

The objective set for nitrate (Table 3) requires a reduction in nitrate levels in the Te Riu o Porirua WMU, primarily through the management of wastewater overflows. Nitrate levels need to be maintained within an A attribute state in all other WMUs.

4.3.3 Zinc and copper

Metals can have toxicant effects on aquatic life in both a dissolved state and when attached to sediment particles. Zinc and copper have been adopted throughout the WIP as proxies for the suite of other urban contaminants (e.g. polycyclic aromatic hydrocarbons, other toxic metals (such as cadmium and chromium), detergents/surfactants and other chemicals). Copper is approximately 5 to 10 times more toxic to aquatic life than zinc, but occurs in lower concentrations.



Current State

Zinc and copper are at low levels in fresh water throughout most of the rural areas in the Whaitua. Peak concentrations are at a level that could cause toxicant effects in the Te Riu o Porirua WMU and parts of other WMUs where there is a high concentration of roading.

Overall, the harbour is considered to be in ‘moderate’ health for metals, with Onepoto Arm having higher levels than Pauatahanui Arm. There are ‘hotspot’ areas in the harbour where metals (attached to sediments) have accumulated, particularly at the southern end of Onepoto Arm. Subtidal sediments show levels of metals above ANZECC and Auckland Regional Council ‘early warning’ guidelines.¹⁶

Objective state

The objectives set are to maintain zinc and copper at current levels across most of the Whaitua, including the Onepoto Arm and Pauathaunui Inlet WMUs, and reduce peak levels in the Te Riu o Porirua WMU (Tables 3 and 4).

The coastal water objectives require a reduction in total zinc and copper load to match the reduction in sediment load sought for those WMUs. This is in order to ensure that zinc and copper concentrations in harbour sediment do not increase as a result of the reduced dilution provided by lower sediment loads (see Section 4.5).

New developments will need to minimise additional loads of zinc and copper, and improvements to existing stormwater management practice and control of sources (building and vehicles) will need to occur to reduce the peak levels and amount of metals accumulating in the harbour sediment.

4.4 Ecological Objectives

Ecological objectives describe the desired outcomes for ecological health in the streams and harbour and help ensure the WIP addresses the range of issues that affect ecological health. Ecosystem health varies in response to changes in water quality, flow, habitat and the morphology or form of the stream or estuary caused by a number of stressors including accumulation of contaminants, clearance of riparian vegetation and changing weather patterns.

4.4.1 Periphyton

Periphyton is algae/slime that attaches to hard surfaces such as rocks and tree roots in freshwater environments. It is an important food source for invertebrates and some fish, and can absorb contaminants from water (e.g. nitrate, ammonia, phosphorus and metals). However, too much of it can limit the habitat of macroinvertebrates (e.g. insects, snails and worms), affect the ability of fish to find food, and cause harmful water quality effects such as daily fluctuations in dissolved oxygen and pH (acidity).

Periphyton blooms can also be visually unappealing and can make access to streams difficult (slippery).

Current state

Periphyton is typically in the C attribute state across most of the Whaitua, with the exception of the predominantly forest-covered upper catchments of the Rangituhi streams. Factors that promote periphyton blooms are elevated levels of phosphorus (which is a nutrient that promotes plant growth) and lack of shade (where there is minimal or no riparian vegetation) which can increase water temperature and the amount of light reaching streams. Nitrogen, the other key nutrient for plant growth, is not generally at levels causing excessive periphyton growth in this Whaitua.

Objective state

The objective set is to reduce levels of periphyton across the Whaitua (Table 3). Increased stream shading and reduced in-stream nutrients, particularly phosphorus, will be needed to help reduce periphyton levels.

¹⁶ ANZECC. 2000. Australian and New Zealand guidelines for fresh and marine water quality. Australian and New Zealand Environment and Conservation Council, Agriculture and Resource Management Council of Australia and New Zealand

4.4.2 Macroinvertebrate Community Index (MCI)

Freshwater invertebrates (e.g. snails, worms and insects) are an important part of the freshwater ecosystem; they feed on algae (helping to keep it at healthy levels) and are an important source of food for fish and birds. Many aquatic invertebrates metamorphose into winged insects as part of their lifecycle, and also play an important part in terrestrial ecosystems. The MCI is a score based on the presence or absence of a range of freshwater invertebrates with different tolerances for pollution. A high MCI score indicates a relatively unpolluted stream with good habitat for diverse and sensitive macroinvertebrates, while a low score indicates polluted water and poor or limited habitat, with a low presence of pollution-sensitive species.

Current State

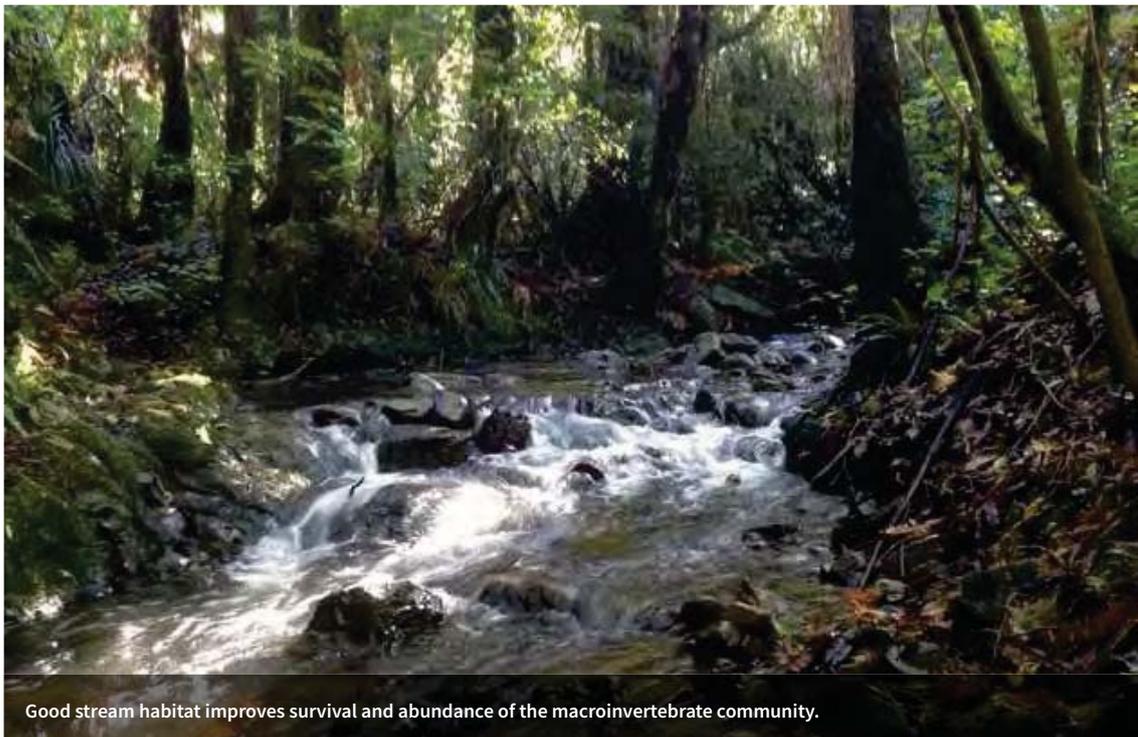
MCI is typically in the C or B attribute state in most places across the Whaitua. This indicates limited to moderate habitat disturbance, pollution and changes from the expected conditions.

Factors that affect the MCI score in the Whaitua include:

- stream reaches without shading, leading to increased water temperature and light intensity and reduced habitat
- increased flows and more frequent stream bed-disturbing flows, particularly in urban catchments
- increased sediment
- changes to stream-bed and streambank habitat
- increased toxicants including ammonia, zinc and copper.

Objective state

The objective set is to improve the MCI index (i.e. higher scores) in all WMUs, with the exception of the Te Riu o Porirua WMU, where the objective is to maintain the MCI index at current levels (Table 3). The improvements will require increased stream shading and habitat, and reduction in sediment load throughout the Whaitua.



4.4.3 Native fish

Diverse and abundant native freshwater fish populations indicate good ecosystem health.

Current state

Many streams in the Whaitua have excellent diversity of fish species, including at-risk species such as giant kokopu, inanga, longfin eel and redfin bully. Most freshwater WMUs are in the B or C attribute state, reflecting that native freshwater fish populations are under stress or in decline in the Whaitua. Many of the factors that affect MCI also apply to native fish, along with obstructed passage from the sea (including piped sections and physical barriers) throughout the catchment.

Objective state

The objective set is to improve native fish diversity and populations across the Whaitua (Table 3). These improvements will require increased stream shading, habitat and fish passage, and reduction in sediment load throughout the Whaitua, along with improvements to water quality and stream flows in the Te Riu o Porirua WMU.



4.4.4 Macroalgae

Macroalgal species are a ubiquitous and important feature of estuaries, as they provide food, shelter and nursery habitat for aquatic fauna as well as removing excess nutrients from the water. In this way, macroalgae contribute to the high productivity and biodiversity of estuaries. Some level of macroalgae cover is valuable to the ecology of the harbour. However, frequent, extensive and persistent macroalgae blooms have a range of adverse effects, including:

- reducing light for desirable species
- smothering shellfish beds and other desirable species
- reducing waves and currents, causing mud to accumulate
- depleting sediment oxygen and increasing odour as a consequence of decaying macroalgae accumulating on shorelines.

Current state

In the harbour, the red macroalga (*Gracilaria sp.*) and the green macroalga (*Ulva sp.*) dominate the intertidal area. Macroalgae are persistent in the harbour with moderate coverage and low biomass, suggesting that they do not pose an ecological nuisance at current levels. Macroalgae have been assessed as B attribute state in both arms of the harbour. However, seasonal blooms of macroalgae are aesthetically unappealing to some people.

Objective state

The objective is to maintain macroalgae in the harbour at current levels (Table 4). This will require sediment and nutrient inputs (e.g. nitrogen) to remain the same or to be reduced.

4.5 Sedimentation rate and muddiness

Sediment discharged into rivers, streams and harbours can negatively impact a range of values, including ecosystem health and the way people use water for recreational, cultural and spiritual purposes. Sediment affects ecosystem function in rivers and streams by:

- reducing light penetrating the water, affecting the ability of plants to grow
- impacting the health of fish by abrading skin and gills and making predators and prey difficult to see
- filling the interstitial spaces (spaces between rocks and pebbles, etc.) in stream beds, making these spaces less suitable for macroinvertebrate communities to survive and thrive.

In estuaries and harbours, sediment:

- alters and degrades habitat and the composition of ecological communities by smothering invertebrates, shellfish and seagrass
- changes the depth of water and flow patterns
- reduces clarity
- changes the feel of substrate underfoot.



Sediment enters the harbour from a variety of sources and places affecting ecosystem health.

Current state

Sedimentation rates in the harbour vary from year to year depending on the number of storm events in the Whaitua. Modelled information indicates that current sedimentation rates are about 4.7mm annually for the Pauatahanui Inlet and 4.1mm annually for the Onepoto Arm.

Objective state

The objective set is to reduce the sedimentation rate in both arms of Te Awarua-o-Porirua and to reduce muddiness in intertidal areas (Table 4).

Achieving this objective will require a significant reduction in sediment inflows throughout the Whaitua, but is achievable. Even with a reduction in sediment inflows from the wider catchment, the level of overall improvement in sediment levels will be constrained by existing high levels of sediment in the harbour and the harbour's limited flushing capacity. Similarly, high levels of existing mud will constrain the potential for improvement in the overall level of mud in the harbour, even where incoming sediment is reduced.

The sediment reductions required to achieve these objectives for the coastal WMUs are also expected to reduce sediment in fresh water WMUs and help improve ecological health.

4.6 Habitat

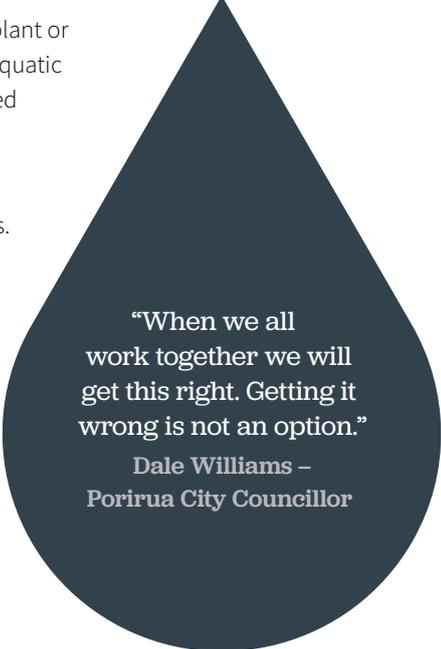
Habitat is the living and non-living environment in which an animal, plant or other organism lives. Poor habitat is a major contributor to reduced aquatic species diversity, poor health of the species population, and decreased population sizes.

The amount of available habitat, and the quality of that habitat, can affect stream water quality and ecosystem health in a number of ways. Riparian vegetation is a key factor determining the quality of stream habitat.

A lack of riparian vegetation can:

- result in less stream shading and increased water temperature
- reduce fish spawning habitat
- cause streambank erosion resulting in increased sedimentation of waterways and affect the functioning of aquatic species in a number of ways, as outlined in Section 4.5.

In addition, fast water flows and lack of riffles and pools can impact life stages of aquatic species and species diversity.



**“When we all
work together we will
get this right. Getting it
wrong is not an option.”**

**Dale Williams –
Porirua City Councillor**

Current state

Stream habitats have been heavily modified in the Whaitua. In urban areas habitat has been cleared and streams modified (e.g. piped, straightened) for urban development and transport links. This has reduced spawning habitat, created barriers to fish passage and reduced physical diversity of streambank and stream-bed habitat. In rural areas, the forest and vegetation that once grew beside streams has been largely removed for pastoral farming.

Objective state

The committee seeks to return stream habitat to a more natural state to promote mahinga kai and ecosystem health (increased levels of MCI and native fish populations and diversity, and reduced levels of nuisance periphyton). Unlike the foregoing objectives, which are expressed using the attribute state banding system, the habitat objectives are expressed in narrative form (section 4.8). Achieving these objectives will require restoration of the natural form and flows of streams, restoration of streambanks and their vegetation, daylighting of streams and removal of barriers to fish passage.

4.7 Summary of Objectives

Table 3 summarises the current and objective states for freshwater attributes for the freshwater WMUs and Table 4 summarises the current state and objective states for attributes relating to coastal water. The numeric objectives for each attribute and WMU can be found in Appendix 3.

Recommendation 1

Greater Wellington amends the PNRP to include the objectives set out in Table 3 and 4 (including the numeric objectives in Appendix 3) and the narrative objectives in Section 4.8.

Table 3. Freshwater objectives and timeframes

	WMU name	Taupō	Rangituhi	Pouewe	Takapū	Te Riu o Porirua
E. coli	CURRENT STATE	E	E	E	E	E
	OBJECTIVE	B	A	B	C	C
	TIMEFRAME*	2040	2040	2040	2040	2040
Ammonia	CURRENT STATE	A	A	A	A	C
	OBJECTIVE	A	A	A	A	A/C ¹⁷
	TIMEFRAME*	M	M	M	M	M
Nitrate	CURRENT STATE	A	A	A	A	B
	OBJECTIVE	A	A	A	A	A
	TIMEFRAME*	M	M	M	M	2040
Dissolved Zinc	CURRENT STATE	C	D	A	A	D
	OBJECTIVE	A	A	A	A	C
	TIMEFRAME*	2040	2040	M	M	2040
Dissolved Copper	CURRENT STATE	D	D	A	A	D
	OBJECTIVE	B	A	A	A	C
	TIMEFRAME*	2040	2040	M	M	2040
Periphyton	CURRENT STATE	C	A	C	C	C/B ¹⁸
	OBJECTIVE	B	A	B	B	B
	TIMEFRAME*	2040	M	2040	2040	2040
MCI	CURRENT STATE	C	C	C/B ¹⁹	C/B ²⁰	C
	OBJECTIVE	B	A	A	B	C
	TIMEFRAME*	2040	2040	2040	2040	M
Native fish	CURRENT STATE	C	C	B/A	B	C/B
	OBJECTIVE	B	A	A	A	B
	TIMEFRAME*	2040	2040	2040	2040	2040

Notes: The current state is an indication of the conditions across the WMU and aims to help illustrate the magnitude of change required to achieve each water quality objective in the WMU. It is not an authoritative statement on the conditions in every part of the WMU as there is likely to be fine scale variation within WMUs that cannot be captured at this broad scale.

*M – Maintain the current state

17 The attribute state for median ammonia is estimated to be A attribute state and the maximum is estimated to be C attribute state. The objective is to maintain the median in A attribute state and the maximum in C attribute state.

18 Expert evaluation of current state for periphyton in the Te Riu o Porirua WMU is between B and C attribute state.

19 Expert evaluation of current state for MCI in the Pouewe WMU is between B and C state attribute state.

20 Expert evaluation of current state for MCI in the Takapū WMU is between B and C state attribute state.

Table 4. Coastal water objectives and timeframes

WMU name		Onepoto Arm		Pauatahanui Inlet		Coast
		Intertidal	Subtidal	Intertidal	Subtidal	
Enterococci	CURRENT STATE	D		D		B
	OBJECTIVE	C		B		B
	TIMEFRAME*	2040		2040		M
Total zinc in sediment	CURRENT STATE	B	C	A	B	
	OBJECTIVE	B	C	A	B	
	TIMEFRAME*	M	M	M	M	
Total copper in sediment	CURRENT STATE	A	B	A	A	
	OBJECTIVE	A	B	A	A	
	TIMEFRAME*	M	M	M	M	
Macro algae	CURRENT STATE	B	N/A	B	N/A	
	OBJECTIVE	B	N/A	B	N/A	
	TIMEFRAME*	M	N/A	M	N/A	
Sedimentation rate	OBJECTIVE	Net average sedimentation rate is less than 1mm/year in Onepoto Arm (rolling average over the most recent 5 years of data)		Net average sedimentation rate is less than 2mm/year in Pauatahanui Inlet (rolling average over the most recent 5 years of data)		
	TIMEFRAME*	2040		2040		
Muddiness	OBJECTIVE	Sediment mud content will not exceed 20% in intertidal sediments/ no increase from current state	N/A	Sediment mud content will not exceed 20% in intertidal sediments/ no increase from current state	N/A	
	TIMEFRAME*	M	N/A	M	N/A	
Muddiness	OBJECTIVE	Spatial extent of soft mud will not exceed 15% of available intertidal area/no increase in soft mud area from current	N/A	Spatial extent of soft mud will not exceed 15% of available intertidal area/no increase in soft mud area from current	N/A	
	TIMEFRAME*	M	N/A	M	N/A	

*M – Maintain the current state

4.8 Narrative habitat objectives

Habitat is assessed using a range of factors, and therefore its objective state cannot be readily described using numerical measures. Below are a number of factors that together describe the objective state for habitat in the Whaitua:

- the mauri of water is enhanced by restoring ecological habitats, improving water quality and ensuring that healthy and abundant mahinga kai is readily available
- the natural stream flow variability in urbanising areas is maintained and the natural stream flow variability in existing urban areas is restored towards an unmodified state
- the habitat and natural character of streams in the Whaitua:
 - support healthy and diverse macroinvertebrate and native fish populations, and
 - help to control nuisance periphyton and macrophyte growth.
- streams are resilient to streambank erosion
- provision of adequate habitat space for the life-supporting capacity of indigenous fish and other aquatic life in streams, including at times of low flow.

4.9 Achieving community and Ngāti Toa Rangatira aspirations

When developing these objectives, the Committee considered the effort required to meet them within the 2040 timeframe. Substantial changes in practice will be required in both urban and rural areas to meet the objective states. This will take time and effort, and come at considerable cost. What was considered feasible was also based on current methods and technology available – it is possible that more ambitious objectives could be met as new methods and technology become available in the future.

However, in some cases, such as for *E. coli*, objectives have been set at levels that do not align with the aspirations of Ngāti Toa Rangatira or others in the community, who sought A or B attribute state objectives.

The Committee shares the aspirations of Ngāti Toa Rangatira and others in the community to improve the health of Te Awarua-o-Porirua streams, harbours and coast beyond the objectives set in this WIP, but seeks to do so over a longer timeframe. In these instances, the achievement of the 2040 objectives is recognised as the first measurable step to achieving these more ambitious objectives.

Some sites will require more effort than others to achieve the desired objectives. These include the streams that form part of the Rangituhi WMU which are highly valued by Ngāti Toa Rangatira due to their proximity to marae, for mahinga kai and wahi tapu. They are characterised by excellent water quality in the headwaters with poor water quality in the lower reaches. Significant effort in the lower reaches of these streams will be required to achieve the objectives within the 2040 timeframe.

There are also intertidal areas within the harbour where there are localised elevated concentrations of metals in the harbour sediments that do not meet the coastal water objectives. In order to meet the WIP objectives, additional effort will be required to reduce these contaminants in the source catchments.

Recommendation 2

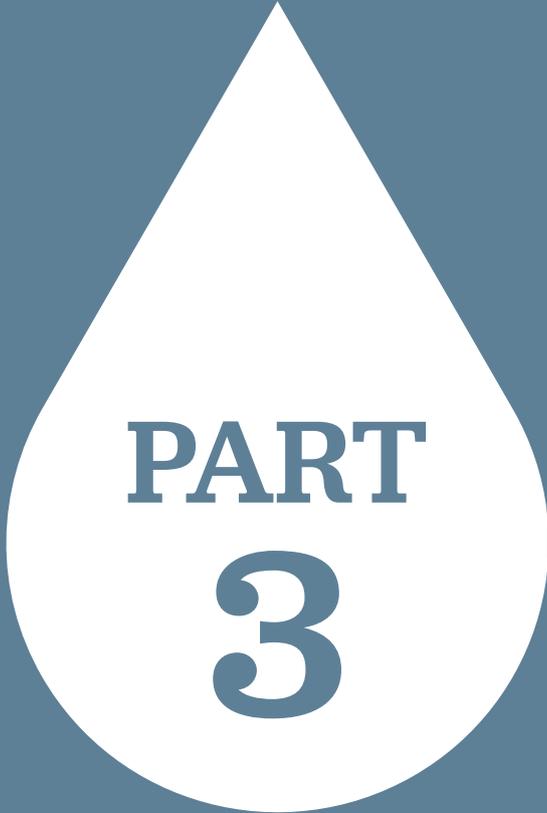
Greater Wellington undertakes a full review at the next regional plan review (in 10 years) on progress towards achieving the objectives in this WIP and the effectiveness of the management responses and makes changes as necessary to the PNRP to ensure progress is satisfactory.

Recommendation 3

Greater Wellington works with Ngāti Toa Rangatira, PCC and Wellington Water through various mechanisms (including the Harbour Strategy) to implement this WIP and prioritise actions within the Rangituhi WMU and the catchments that contribute to hotspot areas of elevated metal concentrations within the harbour. This work will comprise:

- identifying the catchments that contribute to the harbour hotspot areas
- identifying areas of piped stream in the lower reaches of the Rangituhi WMU that could be day-lighted
- targeting a pollution prevention programme (Recommendation 36) within these catchments.





PART 3

Limits, policies and other methods

The recommendations for limits, policies and methods will work together,
and contribute towards achieving more than one objective.



Discharge limits and targets

Limits and targets are part of the policy package for achieving the freshwater and coastal water objectives set out in this WIP. Policy A1 of the NPSFM requires limits to be set for each FMU to give effect to the objectives in the NPSFM and specifically to achieve the freshwater objectives. Limits are set in this WIP at the current load or concentration. Targets are set in this WIP as the maximum load or concentration that can be discharged in the future (by 2040) in order to meet the objective. This recognises the need to maintain or improve water quality. Refer to Section 1.6 for further detail on the requirements of the NPSFM.

The limits and targets are expressed in relation to the estimates of current concentration or loads following the methods used in the water quality modelling for this WIP.²¹ They are intended to represent relative changes from these estimates of current state rather than absolute thresholds for direct comparison with estimates following other methods.

In the Whaitua, fresh and coastal water objectives have been set where applicable for each WMU. The Committee recommends setting discharge load limits and/or targets for sediment, total zinc, total copper, total nitrogen and total phosphorus and concentration limits and/or targets for *E. coli* and ammonia. In the PNRP targets should be expressed as percentage reductions from the limit to allow for increased understanding of water quality through time (e.g. through progressive improvements made to models). Exceedance criteria have been set for dissolved inorganic nitrogen and dissolved reactive phosphorus to help achieve the periphyton objectives.

Discharge load limits and targets have been set at the harbour arm scale (i.e. the catchments for the Onepoto Arm WMU and the Pauatahanui Inlet WMU). The concentration limits and targets have been set for each of the freshwater WMUs.

Policy A1 of the NPSFM also requires that over-allocation (meaning where an objective or limit is not being met) be avoided. A number of water bodies do not currently meet their objectives and, in some cases, do not meet national bottom lines set in the NPSFM. Where discharges and land-use activities contribute to those objectives not being met, there are policies and methods to reduce over-allocation over time.

²¹ Further information on the methodology for load/limit estimates can be found in the Jacobs reports <http://www.gw.govt.nz/technical-reports-4/>

5.1 Limits and targets for *E. coli*

The Committee recommends setting *E. coli* limits and targets in all freshwater WMUs as set out in Table 14 (Appendix 3) to help achieve the pathogen objectives in both freshwater and coastal WMUs.

The level of *E. coli* in a waterbody at a given time is what indicates the risk of people contracting an infection. Therefore, the limits are based on the current state for each freshwater WMU and the targets are based on the objective state concentrations for each freshwater WMU.

The recommendations in Section 9 (Wastewater discharges) and Section 11 (Rural topics) will assist in achieving the *E. coli* limits and targets in this WIP.

Recommendation 4

Greater Wellington amends the policy and rule framework of the PNRP to set water quality limits and targets for *E. coli* for each freshwater WMU within Te Awarua-o-Porirua Whaitua, in accordance with the *E. coli* objectives set out in Table 14 (Appendix 3).

5.2 Limits and targets for Ammonia

The Committee recommends setting ammonia limits and targets in all freshwater WMUs to help achieve the ammonia objectives.

High levels of ammonia in a waterbody at any given time can be toxic to aquatic life. Therefore, the limits are based on the current state for each freshwater WMU and the targets are based on the objective state concentrations for each freshwater WMU. These limits and targets can be found in Table 15 (Appendix 3).

The recommendations in Section 9 (Wastewater discharges) will assist in achieving the limits and targets for ammonia in this WIP.

Recommendation 5

Greater Wellington amends the policy and rule framework of the PNRP to set water quality limits and targets for ammonia for each freshwater WMU within Te Awarua-o-Porirua Whaitua, in accordance with the ammonia objectives in Table 15 (Appendix 3).

5.3 Limits and targets for Total Nitrogen and Total Phosphorus

The Committee recommends setting limits for the load of total nitrogen and total phosphorus entering each harbour arm to support the achievement of the macroalgae objectives in the Onepoto Arm and Pauatahanui Inlet WMUs. Those objectives are seeking to maintain macroalgae at current levels, therefore the limits and targets are also recommended to maintain current nutrient loads entering those WMUs.

The recommendations in Section 8 (Urban development), Section 9 (Wastewater discharges) and Section 11 (Rural topics) will assist in achieving the limits for total phosphorus and total nitrogen in this WIP.

Table 5. Total Nitrogen load limits to be maintained

WMU	Current total nitrogen load	Total nitrogen load limit	Total nitrogen target
	Annual average (tonnes/yr)	Annual average (tonnes/yr)	% reduction from limit
Onepoto Arm	59	59	0
Pauatahanui Inlet	84	84	0

Table 6. Total Phosphorous load limits to be maintained

WMU	Current total phosphorus load	Total phosphorus load limit	Total phosphorus target
	Annual average (kg/yr)	Annual average (kg/yr)	% reduction from limit
Onepoto Arm	3,300	3,300	0
Pauatahanui Inlet	4,500	4,500	0

Recommendation 6

Greater Wellington amends the policy and rule framework of the PNRP to set total nitrogen and total phosphorus load limits entering the Onepoto Arm WMU and Pauatahanui Inlet WMU to maintain the current loads (as shown in Tables 5 and 6).

5.4 Limits and targets for Zinc and Copper

The Committee recommends setting a harbour arm-scale limit and target for total zinc and total copper to achieve the zinc and copper freshwater and coastal water objectives.

To achieve the zinc and copper objectives in the Onepoto Arm and Pauathauui Inlet WMUs, a reduction in total zinc and copper load is required to match the reduction in sediment load sought for those WMUs. This is in order to ensure zinc and copper concentrations in harbour sediment do not increase as a result of the reduced dilution afforded by lower sediment loads. The sediment load reduction targets (Section 5.5) require a 40% reduction in total sediment. Therefore Tables 7 and 8 show the limit (the current load) of total zinc and copper entering each harbour arm and the 40% load reduction (target) required to meet the objective by 2040.

Setting total zinc and copper load targets entering each harbour arm is also likely to support the achievement of the in-stream dissolved zinc and copper objectives, provided that significant amounts of the load reduction occurs during peak flows and rainfall periods, particularly from streams in the Te Riu o Porirua, Taupō and Rangituhi WMUs. The Committee recognised that when combined with the policies and methods (i.e. policies that target the initial runoff of a rain event and source control), the total zinc and copper load limits and targets for each harbour arm would be able to achieve the freshwater objectives.

The recommendations in Section 8 (Urban development) will assist in achieving the limits for total zinc and total copper in this WIP.

Table 7. Total Zinc load limits and targets to be achieved by 2040 in Te Awarua-o-Porirua Whaitua

WMU	Current total zinc load	Total zinc limit	Total zinc target
	Annual average (kg/yr)	Annual average (kg/yr)	% reduction from limit
Onepoto Arm	2,650	2,650	40
Pauatahanui Inlet	580	580	40

Table 8. Total Copper load limits and targets to be achieved by 2040 in Te Awarua-o-Porirua Whaitua

WMU	Current total copper load	Total copper load limit	Total copper target
	Annual average (kg/yr)	Annual average (kg/yr)	% reduction from limit
Onepoto Arm	240	240	40
Pauatahanui Inlet	70	70	40

Recommendation 7

Greater Wellington amends the policy and rule framework of the PNRP to set total zinc and copper load limits and targets entering the Onepoto Arm WMU and Pauatahanui Inlet WMU, in accordance with Tables 7 and 8.

5.5 Limits and targets for sediment

The Committee recommends setting a harbour arm-scale limit and target for sediment to achieve the coastal water objectives for sedimentation rate and muddiness. Setting sediment targets entering each harbour arm is also likely to support the achievement of the freshwater ecological objectives.

The Committee considered setting catchment specific reduction targets, but recognised that uncertainties in the information available warranted caution against recommending targets at such a scale. The Committee instead decided on setting reduction targets at the harbour arm-scale. This does not preclude prioritising and identifying specific catchments based on their relative contribution to the total sediment load, or addressing particular erosion processes.

The recommendations in Section 10 (Earthworks and forestry) and Section 11 (Rural topics) will assist in achieving the limits and targets for sediment in this WIP.

Table 9. Total sediment load limits and targets to be achieved by 2040 in Te Awarua-o-Porirua Whaitua

WMU	Current total sediment load	Sediment limit	Sediment target
	Annual average (tonnes/yr)	Annual average (tonnes/yr)	% reduction from limit
Onepoto Arm	2,800	2,800	40
Pauatahanui Inlet	5,200	5,200	40

Recommendation 8

Greater Wellington amends the policy and rule framework of the PNRP to set sediment load limits and targets entering the Onepoto Arm WMU and Pauatahanui Inlet WMU, in accordance with Table 9.



Sampling of sediment in the harbours provides valuable information.

5.6 Step-down limits to meet targets

A concern raised by the Committee is that the 2040 timeframe may result in little or no action being taken until the 2040 date nears. This is of particular concern for *E. coli*. The Committee therefore recommends that the PNRP set a series of limits that decrease incrementally, reaching the final target by 2040. The Committee acknowledges that this introduces some complexity and potentially also some challenges, as the level of improvement over time is rarely linear and is influenced by numerous factors, including funding (e.g. for infrastructure projects) and the lag time between actions and improvements (e.g. planting of land to stabilise hill slope erosion).

Recommendation 9

Greater Wellington amends the policy and rule framework of the PNRP to include incrementally decreasing limits for each contaminant over time.

5.7 Criteria for Dissolved Inorganic Nitrogen and Dissolved Reactive Phosphorus

The Committee recommends setting concentration criteria for dissolved inorganic nitrogen (DIN) and dissolved reactive phosphorus (DRP) (as set out in Table 10) in all freshwater WMUs to help achieve the periphyton objectives.

Nutrient concentration criteria are one tool to help avoid large and frequent blooms of periphyton growth. The current levels of DIN and DRP are unlikely to be limiting the growth of periphyton and a reduction in these nutrients, particularly phosphorus, is required to help achieve the periphyton objectives. While these concentration criteria are higher than national guidelines to limit periphyton growth using nutrient limitation alone, the recommendations in Section 6 (Stream form and function) acknowledge that stream shading is an important part of achieving the periphyton objectives.

The recommendations in Section 8 (Urban development), Section 9 (Wastewater discharges) and Section 11 (Rural topics) will assist in achieving the nutrient concentration criteria for DIN and DRP in this WIP.

Table 10. DIN and DRP concentration criteria to be achieved by 2040

WMU name	Dissolved inorganic nitrogen (DIN) (mg/L)	Dissolved reactive phosphorus (DRP) (mg/L)
	Median	Median
Taupō	0.6	0.01
Rangituhi	0.6	0.01
Pouewe	0.6	0.01
Takapū	0.6	0.01
Te Riu o Porirua	0.8	0.013

Recommendation 10

Greater Wellington amends the policy and rule framework of the PNRP to set nutrient concentration criteria for DIN and DRP concentrations for each freshwater WMU within Te Awarua-o-Porirua Whaitua, in accordance with Table 10.



Stream form and function

6.1 Development of an aquatic ecosystem and habitat action plan

Councils, landowners and community groups have put a lot of effort into improving aquatic habitats and water quality in the Whaitua. However, alignment and planning of restoration efforts has not been strategically targeted to areas where the greatest impact could be made. Furthermore, there is a lack of understanding by the public of the current state (baseline) of the Whaitua and thus the level of increased effort needed to achieve the objectives in this WIP.

As a matter of urgency, the Committee recommends that a comprehensive action plan for improving knowledge and management of the aquatic ecosystems and habitats in Te Awarua-o-Porirua be developed. This action plan should build on existing research, monitoring, and restoration programmes, those actions commenced under the Harbour Strategy, and integrate local and traditional knowledge.

The action plan could be developed in a three-step process, 1) baseline assessment of aquatic ecosystem health, 2) identification of factors affecting aquatic ecosystem health, and 3) an implementation plan with prioritisation of catchments for attention.

The action plan should be a living document, updated with new information as it becomes available, ensuring that opportunities to apply different approaches and new technologies are capitalised on. Consideration could be given on how best to monitor and report on progress in the action plan.

The action plan will help inform the development of other initiatives recommended in this WIP (e.g. those for riparian management and improving stream form and function) and help achieve the objectives for MCI, periphyton, native fish and habitat.

Recommendation 11

Together with Harbour Strategy partners PCC, WCC and Ngāti Toa Rangatira, Greater Wellington develops and implements an aquatic ecosystem and habitat action plan for Te Awarua-o-Porirua Whaitua to achieve the freshwater and coastal water objectives.

Greater Wellington amends the PNRP to include this action plan development as a method for achievement of the objectives.

The action plan could include, but not be limited to, the following components.

- 1) **Baseline assessment** of aquatic ecosystem health including identification, analysis and mapping of:
 - aquatic habitats, including wetland seep areas and streams (perennial, intermittent and ephemeral)
 - existing riparian vegetation and its protection (e.g. fenced areas) and
 - areas of ecological significance, including spawning areas.
- 2) **Identification of factors affecting ecosystem health** including:
 - locations with streambank erosion
 - stormwater outfalls and retaining structures
 - high-risk sediment source areas
 - fish passage barriers and
 - modified areas of water courses (e.g. straightened, piped, hard edged or bottomed streams).
- 3) **Implementation plan**, including:
 - prioritisation of catchments and interventions for greatest impact
 - criteria for re-vegetation and other measurable targets
 - targets and timeframes to protect and restore aquatic habitats and
 - a description of commitments by Greater Wellington, other relevant organisations and landowners.

When developing and implementing the action plan, Greater Wellington should:

- work with landowners, councils, sectors and community groups
- incorporate traditional and local knowledge
- ensure all riparian margins on Greater Wellington land are protected and planted (where practicable) as a matter of priority to showcase best practice
- align with existing programmes, including those in the revised Harbour Strategy and
- recognise, review and align with PNRP changes, including schedules identifying areas of significance.

This aquatic ecosystem and habitat action plan would ideally be integrated into the reviewed and revised actions of Harbour Strategy partners (Greater Wellington, PCC, WCC and Ngāti Toa Rangatira) in the updated Harbour Strategy.

6.2 Improved management of riparian margins

Management of riparian margins through restoration and protection of streambank vegetation helps mitigate the effects of land use. Benefits include:

- bank stabilisation and erosion/sediment control
- shading which reduces water temperature and the growth of nuisance weeds and algae
- reducing water flow rate
- reducing nutrients and pathogens entering streams
- providing food sources for instream species
- reducing stock damage to streambanks and streams
- restoring native habitats such as fish spawning sites.



While the riparian fencing and planting is in itself important, the ongoing management of riparian corridors (e.g. the maintenance of fences and pest control) is equally important. There will be implications for landowners (e.g. cost and maintenance) and councils need to expand their support through environmental plans, education and funding options.

A huge opportunity exists to protect and restore riparian margins during the planning and development phases of greenfield and brownfield developments. For example, new urban developments should be set back from streams, and activities within an identified riparian margin strip should be controlled for effects on water quality, habitat and channel form. Any new policies and rules should not prevent the installation of appropriate and beneficial structures such as streamside paths and stormwater treatment devices within riparian margins.

Recommendation 12

Greater Wellington, WCC and PCC amend the policy and rule framework in the PNRP and district plans to control the effects of urban development on riparian margins. The framework must require:

- setbacks from streams for any activity (excluding riparian restoration activities)
- restrictions on hard surfaces.

Recommendation 13

Greater Wellington work with WCC and PCC:

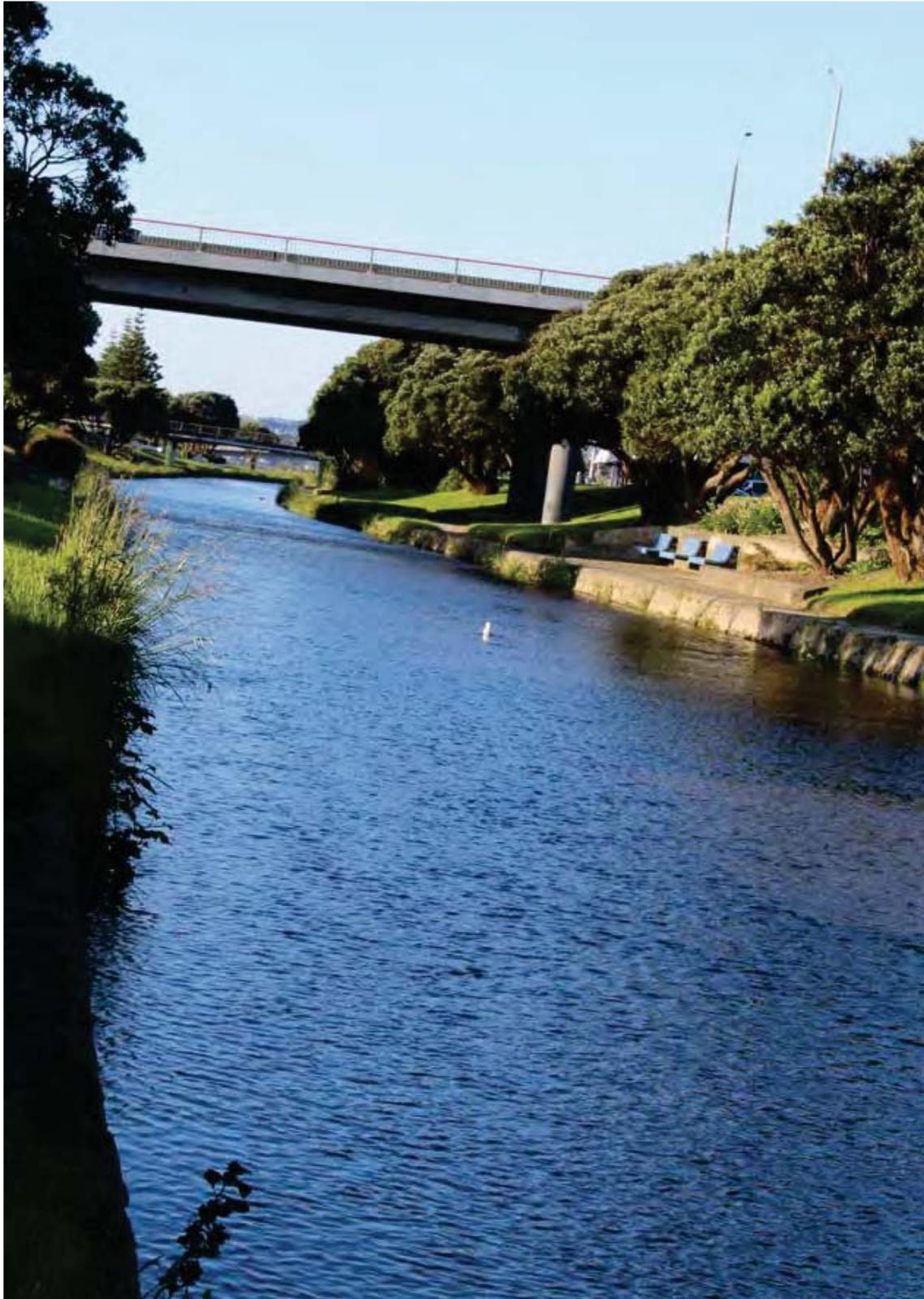
- to identify options to protect, restore and enhance riparian margins in greenfield and brownfield developments
- on a Whaitua-wide riparian protection, planting and maintenance programme by:
 - increasing funding (and awareness of existing funding) for riparian protection and restoration (including fencing, planting and maintenance)
 - building partnerships and supporting existing and new restoration projects
 - providing educational programmes and expert advice.

6.3 Improving stream form and function

Stream morphology is complex and a holistic integrated catchment approach to management should be applied to understand the issues and tailor solutions. For example, recommendations in later chapters regarding retirement of land in the steeper rural areas, mainly in the headwaters, is likely to get significant gains in reducing streambank erosion. Over time, as native forest and scrub regenerates and water runoff decreases, the need for interventions downstream may decrease.

Many of the streams in the Whaitua are heavily modified as a result of channel straightening and the construction of weirs and culverts, affecting fish passage, reducing riparian shading, and contributing to sedimentation, contamination and altered flows. The following recommendations will prevent further adverse modification of streams.

Consideration should be given to restoring sections of streams to their natural state where this is feasible, noting that restoring some streams will be challenging and in some cases not possible due to flood control priorities. Restoration can be achieved by removing barriers to fish passage (or mitigating them with devices such as fish ladders), improving habitat in the lower reaches of streams, and the daylighting of streams (the redirection of a stream into an above-ground channel). In rural areas, vegetation clearance increases runoff from pasture and leads to streambank erosion, slumps and blow-outs in high rainfall events. Some streams with very high sediment loss rates, such as Pauatahanui Stream, may require a range of tailored solutions, and landowners need to be encouraged to take action by being offered support and incentives.



Water quality in channelised streams like this can be improved by restoring natural form and function where feasible (Porirua Stream).

Recommendation 14

Greater Wellington amends the PNRP policy and rule framework to require, where necessary:

- protection and restoration of all aquatic ecosystems in the Te Awarua-o-Porirua Whaitua
- the avoidance of reclamation and/or drainage of beds of lakes, streams (including intermittent) and wetlands, with no exemption for special housing areas and urban growth areas.

Recommendation 15

Greater Wellington works with PCC, WCC and Wellington Water to identify opportunities to enhance the natural form, character, ecosystem health and capacity for mahinga kai of streams and the harbour, including:

- restoring modified streams, including hard-edged, hard-bottomed (e.g. concreted) or channelled sections, to provide physical diversity of banks and bed habitat
- restoring natural meander in straightened channels
- restoring piped or culverted reaches to a more natural state by daylighting streams
- protecting native aquatic species habitat
- protecting fish passage, including removal of tide valves from stream outlets or use of valves which enable fish passage and
- investigating fish passage barriers in piped streams and developing methods to enhance their ecological connectivity.

Recommendation 16

Greater Wellington works towards reducing streambank erosion by:

- investigating the causes of streambank erosion
- identifying land-use activities that contribute to streambank erosion
- exploring options for streambank protection and rehabilitation, including options to support and incentivise landowner action.



Whaitua-wide responses

7.1 Support for catchment groups

Catchment groups will play an important role in achieving the objectives, limits and targets in this WIP. Currently there are a limited number of catchment groups within the Whaitua.²² The Committee recommends that the number of catchment groups is increased and they are supported to set goals and deliver good outcomes for water quality.

Integrated catchment planning, a holistic approach to managing water and land use at a catchment scale, must be implemented. This will ensure risks and issues both upstream and downstream are identified and mitigated.

“Important to understand the values this harbour supported have been lost in the space of only a couple of generations.... Unfortunately what we’ve done on the land has had a significant impact and that’s really changed the social fabric and the way people relate to both the harbour and the freshwater.”

Stu Farrant –
Chair Te Awarua-o-Porirua
Whaitua Committee

Recommendation 17

Greater Wellington works together with Ngāti toa Rangatira, PCC, WCC and other relevant stakeholders to help set up and/or support catchment and community groups to identify and implement optimal local solutions to achieve the objectives, limits and targets in this WIP.

²² Catchment groups are collaborative working groups, made up of local stakeholders that are established to address environmental issues within a specific catchment.

7.2 Raising the profile of water and improving ‘water literacy’

Achieving the objectives in this WIP will require the involvement and support of as many people as possible in the Whaitua. This means that the community’s connection to the streams and the harbour is improved, so that there is a clear understanding of the value the community place on these areas, the causes of degradation, and the shifts in practice required. The Committee recommends a range of mechanisms for an integrated education campaign to enhance community connection with water and to engender an all-of-community effort.

Recommendation 18

Greater Wellington, WCC, PCC and Wellington Water work together to raise water literacy, awareness of receiving freshwater and marine environments, and consumption and conservation practices. This work will be coordinated and delivered through various mechanisms (including the Harbour Strategy) and should include:

- PCC and WCC adding an ‘Environmental Water Zone’ to residential and commercial Land Information Memorandum (LIM) reports to link properties with receiving freshwater and marine environments
- naming streams from headwaters to the harbour, including piped sections and drains, and using these in stormwater network infrastructure and asset plans
- installing signs at all freshwater outlets into the harbour, including pipes, to indicate that they are streams
- Greater Wellington developing an online interactive mapping tool with a GIS layer identifying WMUs and associated streams, including headwaters.

7.3 Encouraging innovation and continuous improvement

The Wellington region is lagging behind other New Zealand and international cities in employing good practice across a range of land and water management practices.

An obvious example is the lack of water-sensitive urban design practices in urban developments. The implementation of this WIP is an opportunity for the Wellington region to catch up and develop new innovative practices and to be world-leading in integrated catchment management.

Recommendation 19

Innovation in land and water management practice in Te Awarua-o-Porirua Whaitua is encouraged and actively facilitated by Greater Wellington, PCC, WCC and Wellington Water, including by:

- regularly monitoring and reviewing progress towards achieving the freshwater and coastal water objectives as set out in this WIP and the updated Harbour Strategy and the effectiveness of the management responses
- adding a policy into the PNRP, to be considered in resource consent processes, that recognises the value of innovative practice in the achievement of the objectives of Te Awarua-o-Porirua Harbour Whaitua
- taking opportunities for ongoing plan changes and updates to guidance documents to provide for innovative practice
- avoiding resource consent conditions that would prevent trialling of alternative management approaches
- encouraging and providing opportunities for landowners and sector groups to develop innovative practice
- investing in research and development to identify and adopt innovative practice.

7.4 Agencies need to lead by example

This WIP requires major changes in how urban development is planned and undertaken, how rural land is managed, and how land-use activities and practices are undertaken. This will require individuals, communities and institutions to change and improve practices.

Greater Wellington, PCC, WCC and Wellington Water maximise the opportunities to showcase good water management practice to positively influence the nature and the rate of change required to achieve the objectives in this WIP.

Recommendation 20

Greater Wellington, PCC, WCC and Wellington Water maximise opportunities to demonstrate good management practice in respect of ecosystem health and water management, including by:

- demonstrating water-sensitive urban design practice on projects such as town centre redevelopments, transport hubs and buildings
- replacing copper brake pads in fleet vehicles with low copper or copper-free alternatives
- increasing targeted street sweeping in high traffic locations
- demonstrating and showcasing good practice land and ecosystem management on council land, including in Greater Wellington's regional parks
- promoting good practice by community and industry
- identifying opportunities to promote best practice water management messages through the media.

These opportunities will be identified and delivered through the various mechanisms, including the Harbour Strategy. They may also be included in other planning documents developed by Greater Wellington and the contributing agencies such as the Parks Network Plan.

7.5 Further investigations and monitoring

Monitoring should provide meaningful and readily understood data to encourage accountability and inform decision-making processes. It should provide the information needed to review the effectiveness of policies and management activities to inform an adaptive management approach. Monitoring plans must be practical and affordable, with monitoring sites selected for their ability to represent WMUs and their ability to measure progress towards meeting the objectives in this WIP.

In addition to monitoring, there is a need for targeted investigations where the causes of poor water quality are not well understood.

Recommendation 21

Greater Wellington undertakes an exercise to determine additional investigations and monitoring needed to better understand the causes and effects of poor water quality to inform future management.

7.6 Citizen science

The comprehensive monitoring of the water quality and assessment of the effectiveness of interventions will require more capacity than Greater Wellington has available. Involving the local community in monitoring water quality and stream health will provide valuable information to inform future management decisions. It will also empower the local community to become informed, involved and invested in good ecological outcomes.

Recommendation 22

Greater Wellington works with relevant agencies and groups to support citizen science initiatives that enable communities to assess stream health and evaluate management activities.

7.7 Compliance and enforcement

Local authorities will need to upgrade and align their compliance and enforcement practices to support the new regulatory approaches recommended in this WIP. A consistent and reliable approach should be taken to the enforcement of all water-related policies, bylaws and regulations.

New rules and regulations for existing land uses may need to include a transition period whereby land and business owners are given time to adapt, and incentives should be utilised to maximise uptake of new land and water management practices.

In the same way that citizen science initiatives can provide more information than council staff have the capacity to collect, the local community can also be upskilled to enable them to provide an effective watchdog role reporting non-compliance and pollution incidents.

Recommendation 23

Greater Wellington, PCC, WCC and Wellington Water reviews their compliance and enforcement practices to ensure:

- a consistent and reliable approach between institutions to the enforcement of all water-related policies, bylaws and regulations, creating a clear pathway for changing practice
- regulations are applied fairly and consistently
- sufficient resource is committed for compliance and enforcement activities, including the collection of financial fines for infringements
- local communities are provided with enough information to enable them to more effectively assist with reporting of non-compliance and pollution incidents to the council.



Urban development

8.1 Background

8.1.1 Key issues and drivers

Urban development impacts water quality and ecosystem health in a variety of ways. The modification of landform and increased level of impervious surfaces associated with traditional urban developments can impact landscape and natural character values and result in changes to the hydrology of catchments, creating more frequent high-intensity flushing flows and reducing base flows in streams. Urban land uses also generate a mix of contaminants that enter the streams and harbours directly or indirectly through the stormwater and wastewater networks. The existing wastewater and stormwater networks are also aging and in need of significant upgrades. New urban developments have the potential to put pressure on systems already stretched to capacity.

There are currently pressures to increase housing in the catchment and, in the past, this has generally been provided for through greenfield development. The Committee were keenly aware of the need to increase housing capacity and allow for the provision of a range of new housing types, including infill housing, large-scale brownfield redevelopments, targeted intensification in and around town and city centres, and greenfield developments.

Greenfield and infill developments inevitably result in an increase in the overall contaminant load and changes to in-stream peak flows. However, brownfield redevelopment sites offer opportunities to reduce the current impacts, thus potentially offsetting increases from greenfield and infill development. Put simply, greenfield development will always increase the contaminant load although this can be minimised. Contaminant load reductions can only come from changes of practice, infrastructure and land use within the existing urban areas.

8.1.2 Policy package for urban development

This WIP sets objectives and limits for zinc and copper as proxies for the suite of other urban contaminants. The policy package is intended to address a range of urban contaminants. Contaminant load reductions, as set out in Section 5 of this WIP, will require a substantial change in how urban land is developed and how land-use activities are undertaken. The urban development policy package tackles both existing and new land-use activities and developments. It seeks to ensure that:

- future urban development meets housing capacity needs, is well planned and achieves multiple social, cultural, economic and environmental objectives
- the residual contaminant load from all new developments is strictly controlled to minimise any increase in load from greenfield and infill developments and to maximise load reductions from brownfield redevelopments
- urban development is regulated for its effects on water quality, in-stream peak flows and ecological health, with an emphasis on national best practice in water-sensitive urban design and source control

- the extent of greenfield development areas is controlled to plan for and manage the resulting increase in contaminant load
- brownfield and infill developments are incentivised to reduce the reliance on greenfield developments and reduce the existing contaminant load through upgrading of building materials and infrastructure (both private and public)
- the contaminant load from existing land-use activities is reduced with a focus on areas that contribute a significant proportion of the contaminant load or those areas requiring a greater improvement, such as those identified in Recommendation 3.

The urban development policy package will assist in achieving the desired objectives for water quality, MCI, periphyton, native fish and habitat and will have additional benefits of reducing peak flows, contributing towards climate change mitigation and resilience, and providing social and cultural benefits for the community.

8.2 Integrated planning to achieve multiple objectives

Planning for successful urban areas is complex as there are numerous parties and interests involved. Urban developments are commonly undertaken by private developers and need to be economically viable. However, urban areas also need to achieve social, cultural, economic and environmental outcomes expected by iwi and the wider community and administered on their behalf by local authorities. Each agency (Greater Wellington, PCC, WCC and Wellington Water) plans for and manages urban development and its effects within the remit of their legislated functions, roles and responsibilities. At times these overlap, with more than one agency responsible. In the past there has not been adequate alignment between these different agencies and levels of planning and delivery (e.g. between regional plan, structure and district plans and the construction phase). However, this is beginning to change with the city councils and Greater Wellington working together with developers to plan for new urban developments. The Committee supports and encourages this change.

Local authorities share the responsibility for planning for urban growth and managing its associated social, cultural, economic and environmental effects. The responsibility for maintaining and improving water quality and ecosystem health does not solely fall on the regional council and likewise providing for urban growth is not solely the responsibility of the city councils and Wellington Water. Integrated planning aimed at changing land development practice can achieve the requirements of both the NPSUDC and the NPSFM.

The regional council and city councils have a role in the management of urban development under the RMA. This means that Greater Wellington, PCC, WCC and Wellington Water must work together to align policy direction and planning process to achieve shared social, cultural, economic and environmental objectives. The intention is to instigate and accelerate changes in land development practice by providing clear policy direction across the local authorities and avoiding complicated overlapping planning processes.

To align policy direction and planning processes across Greater Wellington, PCC and WCC the Committee recommends that Greater Wellington, PCC, WCC and Wellington Water, undertake a spatial planning exercise to develop a common vision for the future of Te Awarua-o-Porirua Whaitua which achieves both housing capacity requirements and water quality and ecosystem health requirements.



Recommendation 24

Greater Wellington, WCC, PCC and Wellington Water look at options for spatial planning for the future development of Te-Awarua-o-Porirua Whaitua.

Recommendation 25

Greater Wellington, WCC, PCC and Wellington Water work to align urban growth planning within Te Awarua-o-Porirua Whaitua to achieve social, cultural, economic and environmental objectives that provide for the values of Ngāti Toa Rangatira and the community. Consideration must be given to the:

- National Policy Statement for Urban Development Capacity, including the results from the Wellington Housing and Business Capacity Assessment
- National Policy Statement for Freshwater Management, including the freshwater objectives, limits and targets for Te Awarua-o-Porirua Harbour and streams
- full cost of urban development, including construction and maintenance of infrastructure over its lifetime
- specific characteristics of Te Awarua-o-Porirua Whaitua, including the relationship with Ngāti Toa Rangatira, topography, demography, transport infrastructure and urban form.

Recommendation 26

Greater Wellington, PCC, WCC and Wellington Water work together to provide a clear cohesive policy direction and align and streamline planning processes. This work may include:

- amendments to the Regional Policy Statement for the Wellington Region to guide regional and district plan changes
- alignment of strategic plans, regional plans, district plans, and infrastructure plans and supporting documentation including water-sensitive urban design guidelines
- joint resource consent application processing
- joint plan change processing to add new urban areas to existing zoned areas
- distinction in respect of any jurisdictional overlap
- utilising the transfer of powers or delegated authority provisions in the RMA.

8.3 Water quality and in-stream flow effects of new urban development

Currently, the urban development effects on hydrology, water quality and ecosystem health that are managed by regional and district plans are those associated with the need to prevent and manage flood risk and with sediment from earthworks during the construction phase of developments. There is an absence of management under both the regional and district planning processes in respect of the ongoing effects of urban development on flow variability, water quality and ecosystem health as required by the RMA. This is a serious management omission. PCC is currently reviewing their district plan and the current draft district plan aligns well with the intentions of this WIP.

The following recommendations seek to control the location and extent of greenfield development areas and minimise the contaminant loads from all new urban development, thereby keeping any increases in contaminant loads and changes to in-stream flows to a minimum and maximising the possibility of sufficient offset reductions through brownfield redevelopment areas.

The Committee considered a formal offsetting scheme whereby new development must offset its adverse effects. However, a scheme of this nature would be technically and legally complicated with a risk that it would not achieve the desired outcome. The Committee concluded that the promotion of well managed brownfield and infill development should be sufficient to drive the offset improvements required.

8.3.1 Greenfield development areas

District Plans currently control the area of land available for greenfield development through a policy and rule framework that enables urban development within urban zoned areas such as residential and commercial areas and discourages urban developments in those areas not intended for urban development such as rural zoned areas. Periodically, plan changes are undertaken to rezone rural land to urban land to enable more greenfield development. The plan change process allows for the effects of the greenfield development area to be assessed.

There is no equivalent planning process for the consideration of greenfield development land at the regional level. The Committee recommends that the PNRP also manages the creation of greenfield development areas in respect of their impacts on water quality and quantity. The 'identified urban area' within the PNRP could include areas currently zoned urban and future areas proposed to be rezoned urban. Alignment with district planning is critical to the success of this direction.

Recommendation 27

Greater Wellington amends the PNRP to include a policy and rule framework that identifies the urban area and controls the location and extent of new urban development areas within Te-Awarua-o-Porirua. The framework must set a more stringent rule activity status for new urban development outside of the identified urban area.

8.3.2 Water-sensitive urban design

The Committee concluded that to instigate a change in land development practice a regulatory regime is required for all new developments, regardless of their scale and location, to minimise contaminant loads and changes in catchment hydrology. Requiring national good practice in water-sensitive urban design and setting a clear performance standard for new development is critical to minimising these effects.

Water-sensitive urban design is an interdisciplinary approach that applies to the planning, design and implementation phases of development, with the aim of minimising the adverse effects from urban development. It takes a comprehensive view of land developments integrating land use and water management. Water-sensitive urban design practice influences all stages of land development from high-level subdivision design and layout to more specific elements such as public stormwater treatment devices, rainwater tanks and roofing materials for individual dwellings. There is currently only limited consideration of water-sensitive urban design and stormwater management within the Wellington region. The city councils are starting to introduce the principles into their policy and planning.

Greenfield development will generate urban contaminants – irrespective of how well-designed, constructed and maintained. This may mean that some catchments or tributaries will experience an increased contaminant load. To achieve the required load reductions and maintain water quality within each WMU, the increases from greenfield developments must be minimised and offset through reductions in the load from existing urban areas.

Brownfield and infill developments offer significant opportunities to reduce the current contaminant load from existing urban areas. These reductions can be gained through:

- improved practice in water-sensitive urban design (reducing imperviousness);
- installation of rainwater tanks
- improvements in stormwater infrastructure (beyond subdivision scale) utilising measures such as wetlands and rain gardens; and
- replacement of old pipes and any associated cross connections and leaky pipes.

Recommendation 28

Greater Wellington, WCC and PCC amend the policy and rule framework in the PNRP and the district plans to control the effects of urban development on water quality and catchment hydrology. In particular the policy and rule framework must:

- require the design, construction and maintenance of developments to demonstrate good practice in water sensitive urban design
- specify that a certain percentage of the mean annual volume of the catchment be treated by an approved device(s) to achieve a certain percentage reduction in total zinc and copper, these being proxies for a suite of other contaminants
- manage the effects from both small infill developments and larger scale brownfield and greenfield developments through permitted activity conditions and the resource consenting process.

Recommendation 29

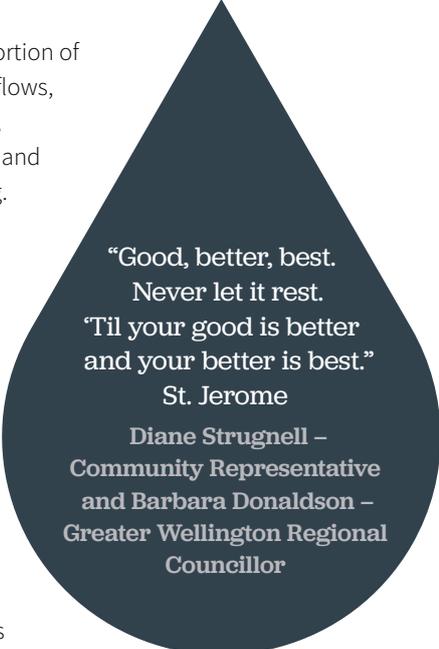
Greater Wellington, PCC, WCC and Wellington Water look for opportunities to initiate and incentivise the adoption of good practice in water-sensitive urban design, including through:

- development and implementation of an education programme for consultants, developers and council staff on the new policy direction and ways to meet requirements
- programmes that improve industry and council capability and capacity
- financial incentives
- recognition and acknowledgement of good practice through certification schemes and design competitions.

8.3.3 Flow variability

Conventional forms of urban development tend to increase the proportion of impervious surfaces leading to more runoff, higher and quicker peak flows, and lower baseflows. This generally results in more frequent flooding, more frequent small to medium-sized flow variability, stream erosion and consequently less abundant and diverse freshwater communities (e.g. invertebrates and fish). Piped networks for stormwater contribute to these effects by speeding up the delivery of stormwater to streams and straightened, enlarged and hardened channels deliver flow more quickly downstream.

Historically, urban development in the Whaitua has used traditional design and engineering approaches with little focus on reducing the effects described above. Future urban development within the Whaitua, if not carefully managed, can be expected to further alter the flow regime of receiving streams by increasing the volume, rate and frequency of stormwater runoff discharges. The degree of impact this has will depend on the characteristics of land development and the type of stormwater management practices that are adopted for developments.



Climate change is likely to further exacerbate effects of urbanisation on mid-range flow variability and flooding. The amount of rain falling during heavy rainfall days (>99th percentile of daily rainfall) is likely to increase by 0–15% by 2040 and 5–25% by 2090, while the size of mean annual floods in streams is likely to increase by up to 40% by 2040 and up to 80% by 2090.²³

Modelling was used to simulate the benefits of various water management strategies for reducing the impacts of greenfield and infill urban development on catchment runoff, including rainwater and stormwater harvesting and reuse, bioretention (with infiltration), permeable paving and wetlands. The results demonstrated that adopting integrated water management practices within residential developments helps mitigate the impacts of urbanisation on runoff volume, flooding, and small to mid-range flow variability and its consequent effects on stream erosion and aquatic ecosystems. Adopting some of these practices, such as rainwater and stormwater harvesting, can also reduce demands on the mains water supply and would thus improve community resilience to temporary disruption of supply following earthquakes/drought, as well as improve resilience to the likely future effects of climate change.

The modelling showed that comprehensive adoption of water sensitive urban design principles and stormwater management was able to produce a runoff regime that approximated that of the pre-development condition. On this basis and having regard to the costs involved, the Committee considers that greenfield and infill urban development in the Whaitua should be required to employ available design practices to achieve a high level of hydrological neutrality comparable to the undeveloped condition.

23 GWRC 2017. Whaitua climate change projections <http://www.gw.govt.nz/assets/Climate-change-2/WhaituaClimateChangeprojections.pdf>

Recommendation 30

Greater Wellington, WCC and PCC amend the policy and rule framework in the PNRP and/ the district plans, to control hydrological impacts of urban development by ensuring that the design, construction and maintenance of new developments manage stormwater runoff to mitigate changes in runoff volumes and flow rates. This will be achieved through good practice in water-sensitive urban design. In particular the policy and rule framework must require the following from developers.

For greenfield development:

- the modelled mean annual runoff volume generated by the fully developed area must not exceed the mean annual runoff volume modelled from the site in an undeveloped (pastoral) state
- the modelled mean annual exceedance frequency of the 2-year Average Recurrence Interval (ARI) so-called ‘channel forming’ (or ‘bankfull’) flow for the point where the fully developed area discharges to a stream must not exceed the mean annual exceedance frequency modelled for the same site and flow event arising from the area in an undeveloped (pastoral) state.

For brownfield and infill development:

- the modelled mean annual runoff volume generated by the fully developed area must, when compared to the mean annual runoff volume modelled for the site prior to the brownfield or infill development, be reduced as far as practicable towards the mean annual runoff volume modelled for the site in an undeveloped state
- the modelled mean annual exceedance frequency of the 2-year ARI so-called ‘channel forming’ (or ‘bankfull’) flow for the point where the fully developed area discharges to a stream, or stormwater network, shall be reduced as far as practicable towards the mean annual exceedance frequency modelled for the same site and flow event in an undeveloped state. (See also implementation notes, below.)

Implementation notes for Recommendation 30

- Potential developers will be required to demonstrate compliance with the above hydrological limits through the process of obtaining resource consent.
- The policy and rule framework will include a permitted activity threshold for small brownfield and infill developments, above which a consent pathway is required to demonstrate compliance with the hydrological limits. The permitted activity provision will include conditions requiring prescriptive, demonstrable minimum standards of practice to be met for small activities to be permitted.
- Guidance will be provided on acceptable models for developers to use in their consent application to demonstrate compliance with limits. This will include guidance on acceptable assumptions around the meaning of ‘undeveloped state’. The same model must be used to assess the pre-, post- and undeveloped state for a given development application, in order to provide a robust assessment against the limits.
- For brownfield and infill developments, the practicability of the proposed reductions in mean annual runoff volume and mean annual exceedance frequency must be justified in the consent application for the proposed development.

8.4 Stormwater discharges

The impervious surfaces within urban areas generate stormwater runoff which includes a mix of contaminants. Stormwater is diverted to the streams and then out to sea through the stormwater network – a system of underground pipes. Water is carried quickly and efficiently to reduce flooding risk but unlike wastewater, stormwater does not get treated before being discharged into the environment (see Figure 3 in Section 9.1.1). There are some stormwater discharges from individual properties that discharge directly to streams or the coast. State highway networks and local authority stormwater networks contribute a significant proportion of the urban contaminant load to the harbour. There are also areas within the Whaitua where the stormwater network conveys a dry weather flow of contaminants which in some cases includes wastewater. This indicates land use activities are causing the discharge of contaminants direct to the stormwater network, which should not be occurring. The presence of wastewater indicates that there are cross connections with the wastewater network.

The PNRP currently includes a policy and rule framework for discharges from individual properties, state highway networks and local authority stormwater networks. The policy direction seeks to minimise the water quality and quantity effects associated with these discharges. The Committee recommends that this framework is amended to manage stormwater discharges within the limits and targets set out in this WIP to achieve the freshwater and coastal water objectives.

Recommendation 31

Greater Wellington amends the policy and rule framework in the PNRP to manage and progressively improve stormwater discharges to achieve the freshwater and coastal water objectives, limits and targets for Te Awarua-o-Porirua. In developing the amended framework Greater Wellington must:

- tailor the framework to the different scales and types of stormwater discharges such as for individual properties, state highways and local authority stormwater networks
- include a more stringent rule activity status for stormwater discharges that discharge into waterbodies where the current water quality is worse than the limit or target compared to those catchments where current water quality is better than the limit for a respective contaminant
- investigate the potential to increase the alignment of the resource consent requirements with the service planning function undertaken by Wellington Water
- include requirements for resource consent applications and stormwater management strategies to demonstrate how they will meet the freshwater and coastal water objectives, limits and targets in this WIP, including a staged approach to meet progressively reducing limits
- include policy direction to target 'priority' areas in both freshwater and coastal environments by prioritising improvements in the stormwater network.

8.5 Reducing the contaminant load from existing urban areas

Depending on the land-use activity, urban contaminants vary greatly in nature, volume and impact and therefore pose different risks to water quality and ecosystem health. The objectives and contaminant load reductions required by this WIP can only be achieved through changes within the existing urban footprint, either through redevelopment of brownfield sites, changes in land-use practices and/or upgrading existing stormwater and wastewater infrastructure.

8.5.1 Stormwater mitigations and redevelopment within the existing urban areas

The redevelopment of existing urban areas offers significant opportunities to reduce the current urban contaminant load into the harbour and to restore catchment hydrology as discussed in Section 8.3 above.

The opportunities presented through large-scale brownfield redevelopments go beyond the gains made through water-sensitive urban design practice in relation to the redevelopments. Gains can also be made through the upgrading of public wastewater and stormwater network infrastructure within or adjacent to the redevelopment sites, potentially leading to significant reductions in contaminant loads. In addition to water quality and ecosystem health benefits, these redevelopment opportunities offer positive social and community outcomes through increased housing capacity, connectivity and enhancement of open space areas.

The Committee determined that the councils and Wellington Water must incentivise redevelopment and maximise the opportunity provided by the redevelopment through well-coordinated infrastructure and development planning. An example of such an opportunity is the Housing New Zealand announcement to redevelop areas of Porirua, and the potential it provides for improving water quality and catchment hydrology in the surrounding streams and harbour.



Stormwater treatment device at new subdivision in Whitby.

Recommendation 32

Greater Wellington, PCC, WCC and Wellington Water identify opportunities and investigate methods for incentivising stormwater mitigations within the existing urban footprint and maximise the opportunities provided by infill and brownfields redevelopments. This could include:

- identifying potential brownfield redevelopment areas and supporting master planning at the outset to integrate water management with other development drivers
- identifying potential locations for stormwater mitigations
- providing public investment into upgrading existing stormwater infrastructure
- providing incentives to treat stormwater from the wider stormwater network within brownfield development sites
- exploring and promoting public-private partnerships and funding models to encourage redevelopment of brownfield sites.

8.5.2 Existing urban development and land use activities

All land-use activities contribute a contaminant load. Industrial and commercial land uses contribute a higher proportion of this load than residential urban uses. The main sources of contamination are roads with high traffic flows, and older unpainted and/or poorly maintained galvanised metal roofing on large-scale industrial buildings.

A pollution prevention programme will be instrumental in changing behaviour and practice across the whole Te Riu o Porirua WMU through raising awareness and creating ownership of the issue and providing skills and information to address the issue. The Committee recommends a whole-of-catchment approach with a focus on specific areas such as those areas prioritised through Recommendation 3. The programme should also target specific activities and/or known issues that need to be addressed in order to mitigate pollution, including trade waste discharges and illegal stormwater connections.

Controlling contamination at source is critically important and, in relation to roofing, this could be achieved by painting and maintaining existing roofs or by replacing roofs with low zinc-yielding alternatives. The Committee recommends investigating and implementing options to progressively reduce contamination from zinc and copper building materials with a particular focus on large scale industrial and commercial roofing. The Committee was advised that at the current replacement rate for residential roofs, a significant proportion of residential roofs could be renewed with low-zinc alternatives over the next 20 years.

Recommendation 33

Greater Wellington, PCC, WCC and Wellington Water investigate and implement options to progressively upgrade or replace high zinc and copper-yielding building materials from existing urban areas.

This may include:

- developing and implementing an incentive scheme to paint or replace large-scale high zinc-yielding industrial and commercial roofs
- identifying and targeting high contaminant contributing areas
- prioritising catchments that contribute to the hotspot areas of degradation.

Recommendation 34

Greater Wellington advocates to central government that it initiate change at a national level to restrict the use of high zinc- and copper-yielding building materials.

Recommendation 35

PCC, WCC and Wellington Water work together in high-risk areas to increase and prioritise regular street sweeping and sump clearance and investigate other opportunities to capture and clear contaminants from stormwater drains.

Recommendation 36

Greater Wellington, PCC, WCC, Wellington Water and relevant industry groups develop and implement a pollution prevention programme. This will be outlined, delivered and monitored through various mechanisms, including the Harbour Strategy. The programme must:

- raise the awareness of the public about what they can do to reduce their impacts on harbour and stream health
- promote and incentivise industry good management practice targeting high-risk land-use activities that contribute relatively high levels of contamination
- identify and target priority areas for contaminant reduction based on the identification of catchments that contribute to localised hotspot areas
- investigate opportunities to enable change by streamlining regulatory processes and removing barriers to businesses and industry initiating change
- work with specific industries/suppliers to increase understanding around risks from exterior chemical cleaning products with an aim to reduce usage through point of sale warnings and changes in product care advice.

Recommendation 37

Greater Wellington investigates options to revise the controls on chemical cleaning products (such as '30 seconds' type cleaning products) and advocates to central government for better control of these products at a national level.

8.5.3 Vehicle sources

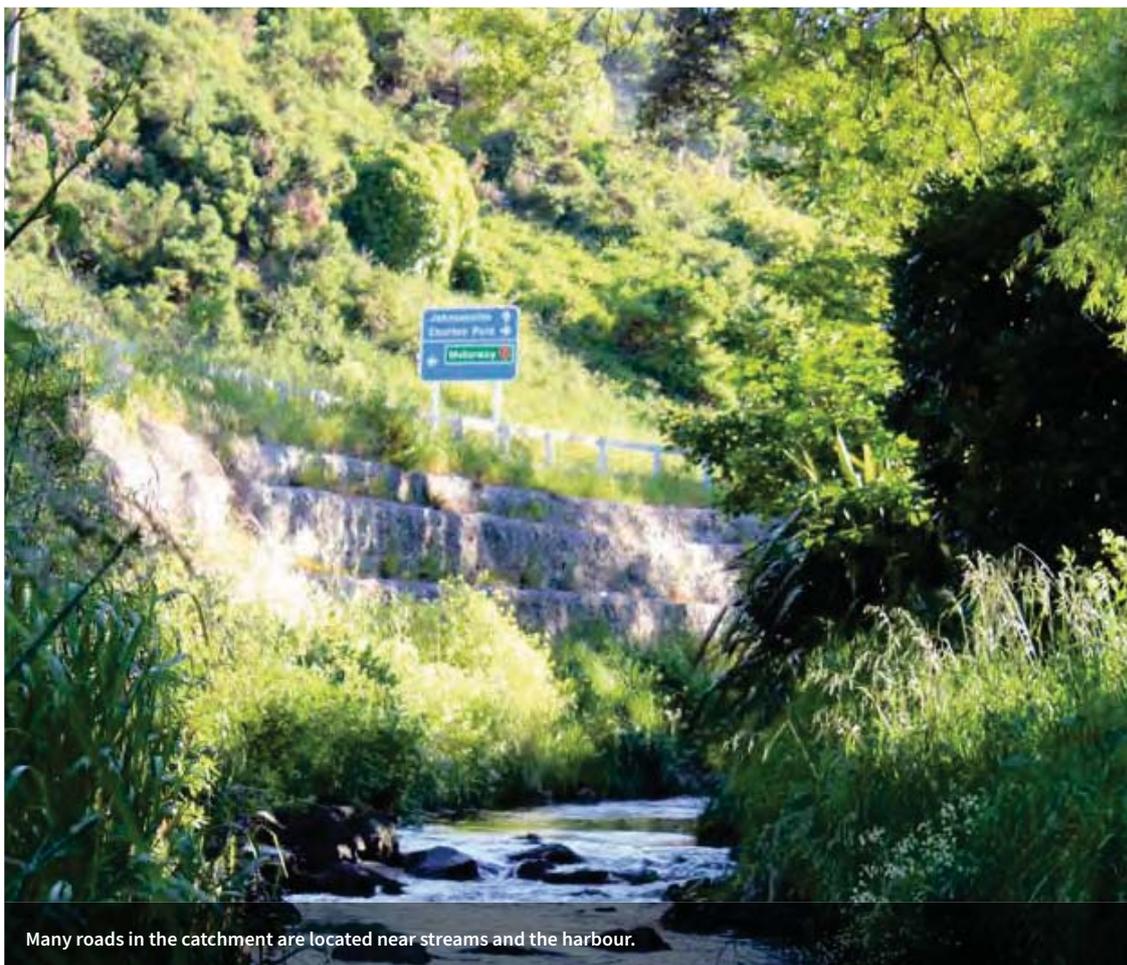
In urbanised areas, a significant source of metal contamination is motor vehicles, primarily zinc from tyre wear and copper from brake linings. Removing the contaminant at source is the most effective way of addressing this. This could be achieved through controls introduced at the national level regulating the use of these metals in tyres and brake pads. However, even if a decision is made to develop national-level regulation, this will take time. The Committee therefore considered ways in which Greater Wellington can initiate positive change at a regional level. For example, Greater Wellington, PCC, WCC and Wellington Water can raise awareness among the public and the motor vehicle industry of the impacts of copper brake pads on aquatic life as well as potential alternatives, with the overall aim of increasing the availability and uptake of copper-free or low-copper alternatives.

Recommendation 38

Greater Wellington advocates to central government that high zinc and copper yielding materials in vehicles be progressively replaced with lower yielding alternatives.

Recommendation 39

Greater Wellington, PCC and WCC raise the awareness of the public of the effects of copper brake pads and actively promote low-copper/copper-free alternatives.





Wastewater discharges

9.1 Background

9.1.1 Issues and drivers

Significant improvements in the management of wastewater discharges from wastewater and stormwater networks in the Whaitua are needed to meet the freshwater objectives for *E. coli* and ammonia and the coastal water objectives for enterococci. Modelling indicates that a range of regulatory and non-regulatory actions across urban and rural areas are needed to achieve these improvements and this will require ongoing efforts from a range of agencies. As the nature of wastewater issues and sources of wastewater discharges vary between urban and rural areas, the required policy response is also quite different. Wastewater in rural areas is discussed in Section 11.4.

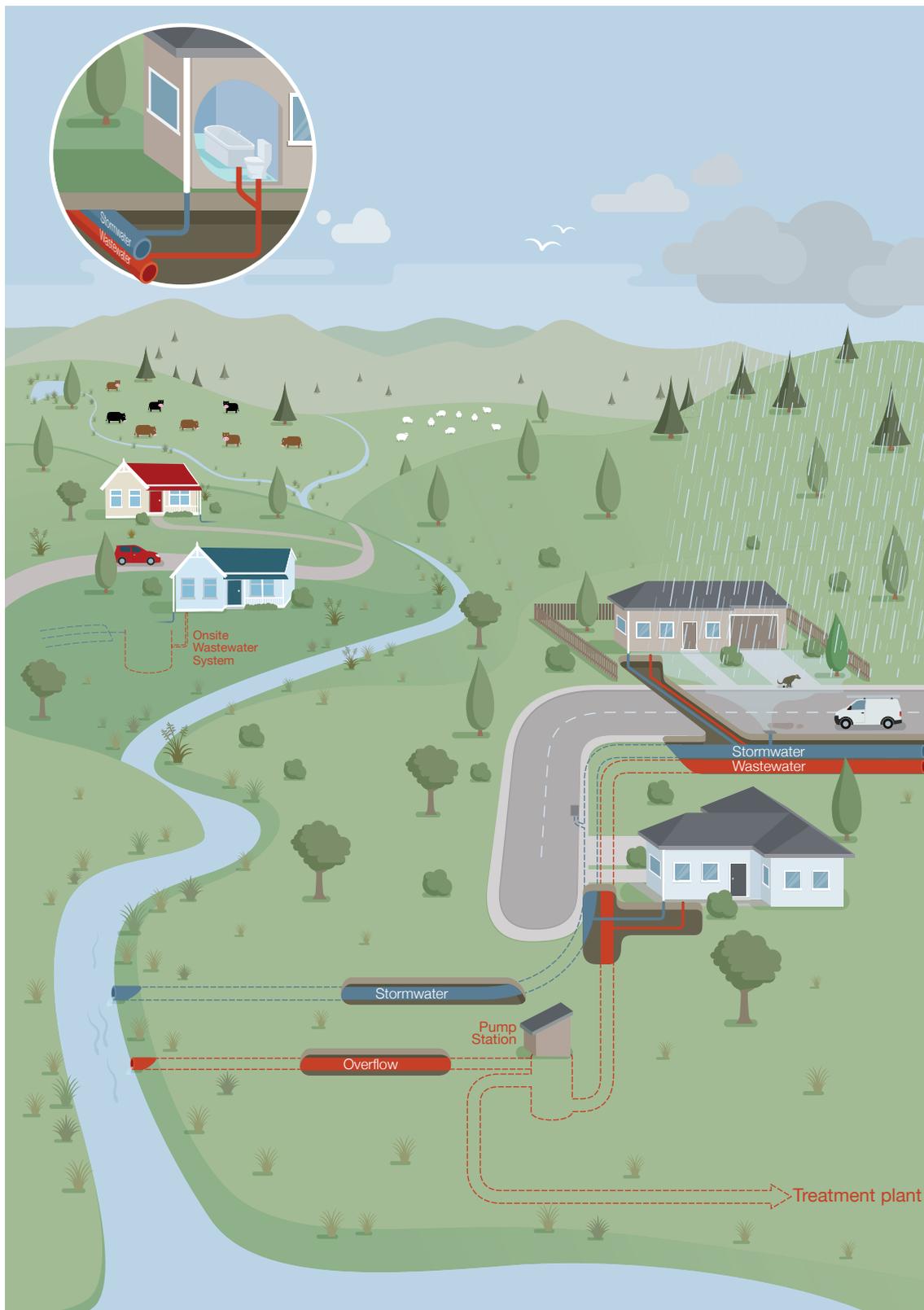
9.1.2 The wastewater system

Wastewater is discharged from every household, business and industry within the Whaitua. Most households and commercial properties are connected to the respective councils' wastewater network and wastewater is treated through the wastewater treatment plant before being discharged to sea at Titahi Bay.

The wastewater network includes private pipes (referred to as 'laterals') that take the wastewater from each individual property and connect to the council's wastewater mains network. At various points along the wastewater mains there are pump stations which keep the wastewater flowing to the treatment plant.

Currently, when it rains, rainwater finds its way into the wastewater network through broken laterals and mains or through faulty plumbing, such as a roof downpipe connected to a wastewater lateral (usually via gully traps) or a stormwater lateral connected to the wastewater network. Connections to the wrong network are known as cross connections and also have water quality implications because wastewater flows untreated into the stormwater network (stormwater is not treated), into waterways and out to sea. The additional water from leaking or cross-connected pipes can overwhelm the wastewater system when it rains, resulting in overflows from the network, often at pump stations. These untreated overflows generally discharge into streams or the harbour. Figure 3 shows a simplistic illustration of the stormwater and wastewater network.

Figure 3. Stormwater and wastewater network



9.1.3 Wastewater in urban areas

The wastewater network in the Whaitua traverses both the Wellington and Porirua districts. The network and treatment plant are operated and maintained as a single integrated network by Wellington Water on behalf of PCC and WCC.

Current issues with the network and treatment plant include:

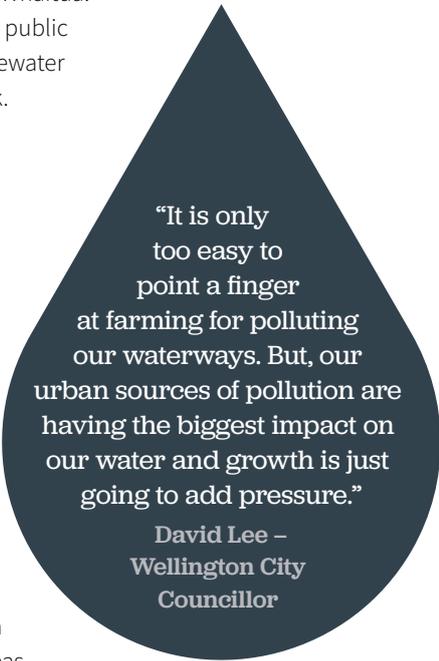
- aging treatment plant and network prone to failures and with inadequate capacity to accommodate future growth
- frequent wet weather wastewater overflows from the network into freshwater and coastal water and wastewater overflows from the treatment plant into coastal water
- dry weather leakages from degraded and leaking pipes
- infiltration and inflow of stormwater into the wastewater network including through cross connections, exacerbating capacity issues and the frequency of overflow events.

While wet weather wastewater overflows have been identified as a key concern for the community, monitoring has shown consistently high *E. coli* levels throughout the year which indicates that dry weather leakages and discharges are also a key contributor to poor water quality in the Whaitua.

Addressing these issues will require upgrades that extend beyond the public wastewater network to identify and address leaking laterals and wastewater pipes on private properties and cross connections across the network.

To manage *E. coli* from urban sources, the Committee recommends significant investment to upgrade the public wastewater network and to address issues with private laterals as a matter of priority. Achieving the improvements needed will require a significant shift in how the wastewater and stormwater networks are managed and additional funding and investment to compensate for historical underinvestment while also anticipating population growth. Regulatory options are also required to drive improved behaviour change and ensure wastewater discharges to freshwater and the harbour are progressively reduced.

The Committee is aware that the mitigations used in *E. coli* modelling have indicated that these measures alone may not be sufficient to achieve the Committee's freshwater objectives for *E. coli* in urban areas. This makes it clear that significant, ongoing mitigation actions and investment will be required in new and existing urban areas to achieve the *E. coli* objectives.



“It is only too easy to point a finger at farming for polluting our waterways. But, our urban sources of pollution are having the biggest impact on our water and growth is just going to add pressure.”

**David Lee –
Wellington City
Councillor**

9.2 Wastewater networks

9.2.1 Improvements to wastewater treatment plant and network

In urban areas, the biggest reductions in *E. coli* will come from wastewater network improvements, including reducing overflows, improving capacity, fixing leaking pipes and identifying and addressing laterals and cross connections on private properties. These upgrades will require significant investment, staged over a number of years. These upgrades will largely be undertaken by Wellington Water, but will require the collective effort of agencies and support from property owners and the wider community, given the substantial costs and effort involved.

Wellington Water is currently planning upgrades to the wastewater treatment plant and network as part of the process to renew the current discharge consents that are due to expire in 2020. Wellington Water has indicated that the focus of its consent renewal and investment programme has shifted from upgrading the treatment plant to investment in the overall network as this is where the biggest improvements can be made in terms of water quality and in achieving the requirements, under the NPSFM, for streams to be suitable for primary contact recreation.

While the Committee recognises the substantial amount of work that needs to be undertaken to improve the network, it also determined that it was untenable for the Whaitua's waterbodies and the harbour to be contaminated by wastewater. Ideally, the Committee wants changes and upgrades immediately, and a short timeframe to meet the *E. coli* and enterococci objectives. The Committee is concerned that by setting an objective timeframe of 2040, improvements could be delayed or 'put off' until closer to the deadline which would not reflect the urgency with which improvements must occur. However, given the degree of change and improvement that is required to achieve the objectives, the Committee opted for an approach that sets a timeframe for developing an action plan (including milestone timeframes) and periodic reviews by Greater Wellington to ensure the action plan is being implemented in a manner that will achieve the objectives by 2040.

While the Committee has set a C attribute state objective for *E. coli* and enterococci in the Te Riu o Porirua, Takapū, and Onepoto Arm WMUs respectively (with A and B attribute state objectives set in other WMUs - see Tables 3 and 4), it is also aware of the aspirations of Ngāti Toa Rangatira and the wider community to have an A attribute state objective throughout the Whaitua. The Committee has the same aspirations, but given the scale of change and improvements required by the Committee, it concluded that an A attribute state was not achievable or affordable in all WMU's in the short term. Once a C attribute state had been achieved, improvements should continue to progress towards meeting the A attribute state criteria throughout the Whaitua.

The current provisions of the PNRP include specific provisions to manage wastewater discharges, recognising that it is a significant cultural, human health and recreational issue in the region. The PNRP includes direction to:

- progressively reduce wastewater discharges to freshwater and avoid new wastewater discharges to freshwater
- minimise wastewater and stormwater interaction
- progressively improve the quality of wastewater discharges and reduce the quantity of discharges to freshwater and coastal water
- progressively reduce wastewater overflows from networks to freshwater and coastal water.

The policy direction in the PNRP is consistent with the management approach the Committee is seeking for wastewater discharges. However, there is an opportunity to strengthen this further to reflect the specific issues, objectives, targets and limits for wastewater in the Whaitua.

In light of the current under-performance of the wastewater network, the Committee has recommended that developers of any new subdivisions or other development projects manage their wastewater discharges with consideration of the wider wastewater network and do not exacerbate existing issues.

Recommendation 40

Greater Wellington amends the policy and rule framework in the PNRP as necessary to manage and progressively improve wastewater discharges in Te Awarua-o-Porirua Whaitua to achieve the freshwater and coastal water objectives, limits and targets in this WIP. The policy and rule framework must:

- require resource consent applications and wastewater management strategies to demonstrate how they will meet the freshwater and coastal water objectives, limits and targets in this WIP, including through a staged approach
- recognise and address the complexities of the wastewater network, including issues with capacity, overflows, leaks, and cross connections
- require assessment of the progress towards achieving the *E. coli* and enterococci objectives and amendments of programmes and strategies if expected progress is not achieved
- acknowledge the interrelationship of stormwater and wastewater.

Recommendation 41

Greater Wellington amends the policy and rule framework in the PNRP and PCC and WCC amend the relevant district plans as necessary to ensure that new urban development and redevelopment do not exacerbate issues with the wastewater network by providing adequate on-site storage, including requirements for applicants to demonstrate how wastewater generated by development will be managed.

Recommendation 42

Wellington Water develops and implements wastewater programmes, strategies and/or plans to improve the wastewater network to achieve the freshwater and coastal water objectives, limits and targets in this WIP. The development and implementation of these programmes, strategies and plans must:

- clearly set out the steps, actions and milestones to deliver the necessary improvements
- inform the investment strategies of the 2021-2031 Long Term Plans for Greater Wellington, PCC and WCC
- assess all wastewater management options and identify priority areas for actions
- provide an integrated assessment and management approach for all forms of wastewater discharges from the network and the associated effects on freshwater and coastal receiving environments
- address both dry weather wastewater discharges and wastewater network overflows
- adopt an integrated catchment approach that recognises the interconnected nature of the wastewater network and the receiving environments for these discharges
- align funding and investment with Greater Wellington, PCC and WCC for these actions and improvements to occur.

Recommendation 43

Greater Wellington, WCC and PCC work together to integrate and align regional plans, district plans and infrastructure service plans to achieve the freshwater and coastal water objectives, limits and targets in this WIP.

Recommendation 44

PCC and WCC align their policies on the licencing, monitoring and enforcement of trade waste discharges into the wastewater network.

9.2.2 Improvements to the private wastewater network

Substantial contributions to wastewater issues in the Whaitua are believed to come from the private wastewater and stormwater network, though the exact contribution these sources make is unquantified and will vary across the catchment. Issues can arise from cross connections and leaking pipes and laterals. Addressing issues with the private wastewater network is essential to achieving the freshwater and coastal water objectives but this will be a challenge given the costs involved for property owners and current uncertainty about the exact sources of contamination.

The Committee considered that, in addition to education, there will need to be a range of incentives and requirements in place for property owners and developers to address cross connections and leaking wastewater pipes on their properties. The most appropriate methods and incentives to address issues with the private wastewater network are not known at this stage. The recommendation provides some flexibility for PCC, WCC and Wellington Water to identify the best methods to incentivise property owners to address cross connections and lateral leaks on their properties while providing clear guidance on the range of measures the councils and Wellington Water should focus on to achieve a reduction in these problems (e.g. education, financial incentives, regulation). Initiatives could be modelled on successful projects elsewhere (e.g. Drainwise in Gisborne).

The announcement by the government of the redevelopment of Housing New Zealand houses in East Porirua provides a valuable opportunity to take steps to improve wastewater and stormwater networks in that area, including individual house connections.

Recommendation 45

PCC, WCC and Wellington Water work together to identify sub-catchments within the Whaitua that have the most widespread issues with private laterals and cross connections, and prioritise these sub-catchments for improvement.

Recommendation 46

PCC, WCC and Wellington Water initiate a comprehensive work programme to identify and address issues with the private wastewater network within the Whaitua, including:

- education and guidance for home and business-owners in relation to leaking laterals, cross-connections and the consequences of non-compliance
- promotion of redevelopment as an opportunity to address existing cross-connections and leaking laterals
- financial mechanisms and incentives, such as rates relief or targeted rates in priority sub-catchments, to assist property owners to get their pipes checked and fixed
- investigation and implementation of the best regulatory methods to address cross connections, e.g. through a by-law that requires the pipes to be checked and certified at the time of sale or through a warrant of fitness scheme.

Recommendation 47

Greater Wellington, PCC, WCC and Wellington Water target redevelopment and regeneration projects, such as those led by Housing New Zealand, as an opportunity to address existing wastewater and stormwater network issues through education, advocacy and regulation.

Recommendation 48

PCC and WCC building compliance officers undertake proactive, consistent compliance monitoring of connections in new builds and renovations to ensure there are no cross connections, including a system for recording which properties have been checked and assessed and when issues have been resolved.



Earthworks and forestry

10.1 Background

Earthworks, road construction and subdivision developments have the potential to increase sediment loads while the activity is taking place, especially if a significant rainfall event occurs when a large amount of earth is exposed. After works are completed and the site is stabilised, the risks of sediment loss are significantly reduced.

Sediment impacts from forestry operations tend to show a cyclical pattern in which sediment losses can be significant during and immediately following harvest and then diminish as the replanted forest begins to mature. As with earthworks, if a significant rainfall event occurs during harvest or following harvest, the risk of large sediment losses is high.

The Committee recognises that its objective of a 40 percent reduction in sediment load inputs into the harbour poses a challenge. Earthworks and forestry operations, if undertaken correctly and on suitable land, should result in minimal (if any) discharges of sediment to the streams and harbour. The challenge is to ensure all earthworks and forestry operations are undertaken on suitable land and using good practice and the risks of sediment-laden water running off-site is minimised.

10.2 Earthworks

The PNRP requires that large site earthworks (greater than 3000m²) be consented. Such sites are therefore actively managed to ensure good management practices are used. Current practice for earthworks on larger sites is to require the works to be staged to ensure that the area exposed at any given time can be effectively managed by the controls being used on site.

The Committee considered options for the best way to limit the amount of earthworks occurring in the Whaitua at any one time in order to reduce the risk of significant pulses of sediment entering the harbour. It concluded that the current approach was the most appropriate – that is, to stage the earthworks at each site and ensure through compliance monitoring that the appropriate controls were in place. In making this determination, the Committee considered the effects of climate change, including the prediction of more intense rainfall events, and how these effects will impact on the design requirements for controls used to treat stormwater runoff from an earthworks site. The most significant shift in management is the new requirement for all resource consents to meet discharge limits.

Small site earthworks (less than 3000m²) need to comply with the PNRP permitted earthworks rule. In some cases resource consent may also be required from WCC or PCC. Often small-site earthworks have limited controls in place and collectively can contribute to significant sediment losses. While these small site activities are often permitted (i.e. do not require a consent), the Committee sought assurances that they are undertaken using best practice to prevent any unnecessary discharges of sediment. As with large site earthworks, it is important to ensure compliance monitoring of resource consents and permitted activities is undertaken.

Recommendation 49

Greater Wellington amends the policy and rule framework in the PNRP to set discharge standards for earthwork activities that require consent in order to achieve the sediment targets and limits in the WIP.

Recommendation 50

WCC and PCC have consistent bylaws and guidance for silt and sediment control within the Whaitua. Consideration must be given to the effects of climate change to ensure control measures are designed to meet increasing intensity and duration of rainfall events.

Recommendation 51

Greater Wellington reviews and updates publications, including *Small earthworks – Erosion and sediment control for small sites (2006)*, and *Erosion and sediment control guidelines (2000)*, to ensure the methods and principles they set out reflect current good practice. Amendments may include increasing the design standards to deal with more significant but less frequent rainfall events.

Recommendation 52

Greater Wellington, WCC and PCC develop a compliance programme to ensure good practice in relation to silt and sediment control is followed for all earthworks, particularly in relation to permitted activities. This should also include a required frequency of cleanout and monitoring of retention basins to reduce the risks of retention basins being overwhelmed.

Recommendation 53

Greater Wellington, in conjunction with WCC and PCC, develops an education programme to ensure that good practice for silt and sediment control is understood by those carrying out earthworks.



Good management practice during earthworks and forestry activity can reduce impacts on the harbour and streams.

10.3 Forestry

Approximately 13% of the land in Te Awarua-o-Porirua Whaitua is estimated to be in forestry, most of which will reach maturity within the next ten years. Harvesting activities that are not undertaken using good practice standards can result in significant increases in sediment loads.

The National Environmental Standard for Plantation Forestry (NESPF) permits most forestry activities as long as forestry operators meet specific conditions to prevent significant adverse environmental effects. The regulations are based on existing good practice standards for the forestry industry.

The NESPF uses a nation-wide scale Erosion Susceptibility Classification that determines the risk of erosion on land. Where land is categorised as having a high or very high erosion risk, resource consents are required for various activities such as earthworks associated with forestry and harvesting operations. The NESPF does not identify high or very high risk areas in the Whaitua and therefore no consents are required, that is all forestry activity in the Whaitua is deemed permitted.

The NESPF allows for more stringent rules in a regional plan to be set to give effect to an objective developed under the NPSFM, including more detailed local-scale assessments and mapping of erosion susceptible land that would trigger consent. The Committee considered whether more stringent rules were required to achieve the sediment objectives and concluded that the permitted framework of NESPF should be given time to be implemented. The Committee did, however, think it was important to ensure the forestry operations were carried out in compliance with good practice and the NESPF requirements and recommended all permitted forestry operations were monitored for compliance and enforcement action taken where necessary. The Committee also concluded that it was important to improve understanding and mapping of erosion prone land at the local whaitua scale to inform future planning; this has been incorporated into recommendations in section 11.1.

The NESPF contains provisions for enabling Greater Wellington the ability to charge for monitoring of permitted activities. The Committee recommends Greater Wellington adopts a charging policy to allow it to recover costs associated with monitoring compliance of permitted forestry activities.

Recommendation 54

Greater Wellington works with the forestry sector to identify potential barriers and risks to good practice in reducing sediment from forestry operations and works with the industry to overcome the risks and barriers.

Recommendation 55

Upon receiving notice under the NESPF of earthworks, forestry quarrying or harvesting in the Te Awarua-o-Porirua Whaitua, Greater Wellington requests a copy of the Forestry Earthworks Management Plan and Harvest Plan or Quarry Erosion and Sediment Management Plan and actively monitors compliance to ensure sediment discharges to waterbodies are minimised.

Recommendation 56

Greater Wellington provides sufficient resources to deliver consistent advice on forestry good practice and compliance, both within the Whaitua and across the region.

Recommendation 57

Greater Wellington develops a charging policy under the NESPF for the monitoring of permitted activities.



Rural topics

This section outlines recommendations relating to how activities in the rural areas of the Whaitua should be managed to reduce impacts on waterways. Previous sections include recommendations that also relate to rural landuse, in particular stream bank erosion (Section 6, Stream form and function) and sediment losses (Section 10, Earthworks and forestry).

11.1 Management of erosion prone land

Before the area was settled by Europeans, the harbour edge and the surrounding catchment were forested in dense podocarp-hardwood forest including kohekohe, tawa, titoki, kahikatea, tōtara, rata, miro and rimu. Conversion of forest to farmland and subsequently to urban settlements has led to erosion, particularly of hill country, which has contributed to an increased sediment load in the streams and harbour.

Farmland makes an ongoing contribution to the sediment load in the catchment (from grazed pasture, especially on steeper slopes). Modelling information using the SedNetNZ model indicates that a significant portion of the total sediment load is coming from hill slope and landslides where:

- the hill slope component is from the overland flow of water over the land that picks up sediment as the water moves down the catchment into the streams and the harbour
- the landslide component occurs when there is a mass movement of land, usually when vulnerable soils have exceeded their threshold to absorb water and become unstable. When soil has lost its structure it is more easily picked up and carried by water.

Table 11 describes the modelled estimated sediment load contributions from each catchment and the likely source of that sediment. Measures and recommendations to address sediment from stream bank erosion are discussed in section 6.

The Committee considered whether to focus on the top five sediment-producing catchments or a whole-of-Whaitua approach. The Committee considered that it was most effective to identify priority areas in the Whaitua where immediate gains in sediment reduction may be made. Priority areas were identified as areas of steeply sloped or sloping land susceptible to hill-slope and landslide erosion.

Where priority areas have been identified, an environment plan will be developed setting out how sediment losses will be reduced for those areas.²⁴ Each plan should be specific to the relevant landowner, ensuring that the measures put in place are appropriate and achievable for landowners.

Not all land in priority areas will be farmland: there are also likely to be areas of forestry, lifestyle properties, and regional or local parks. The requirement to develop a sediment reduction plan will apply equally to any land within a priority area.

²⁴ A environment plan is a plan developed for a specific property/farm to identify environmental risks associated with operations occurring on the property and sets out actions and goals to ensure compliance and environmental sustainability.

Table 11. Estimated current sediment loads and percentage contribution from different erosion types for catchments in the Te Awarua-o-Porirua Whaitua

Catchment Name	Current state			
	Annual average sediment load (t/yr)	% load from different erosion processes		
		Hillslope	Landslide	Streambank
Pukerua	10	88	9	3
Hongoeka to Pukerua	10	88	9	3
Titahi	1	99	0	0
Taupō Stream	90	55	25	19
Horokiri and Motukaraka	960	31	36	33
Kakaho	250	43	41	16
Ration	200	91	0	9
Judgeford	630	76	13	11
Pauatahanui	3210	41	6	53
Lower Duck	530	69	26	6
Upper Duck	380	62	35	3
Hukarito Stream	10	100	0	0
Mahinawa Stream	40	92	7	1
Whitireia	10	100	0	0
Rangituhi Stream	30	98	2	0
Takapu	650	42	56	1
Belmont Stream	270	76	23	0
Stebbings Stream	110	99	0	1
Upper Kenepuru	530	22	78	0
Kenepuru	820	48	50	2
Porirua	2660	59	32	9

The Committee acknowledges that Greater Wellington has only been working with the rural community within the Whaitua for a short time on erosion compared to other areas in the region and this is likely to be reflected in levels of awareness and trust. In particular, there is a lack of knowledge on the part of landowners about the services provided by Greater Wellington, mainly due to the lack of resource investment in this area to date.

The Committee was concerned that landowners whose property is identified as a priority area will be required to bear a significant proportion of the costs to reduce sediment losses from their property, while the measures will benefit the whole Whaitua and therefore the wider community. Therefore, the Committee recommends that the resources available to landowners in priority areas are increased.

Battle Hill Farm Forest Park and Belmont Regional Park encompass significant areas within the Pouewe and Takapū WMUs. The Committee sees the parks as an opportunity to showcase good land management practice and measures that can be taken to address sediment loss in the catchment.

Recommendation 58

Greater Wellington undertakes further work to determine priority areas for reducing sediment in the Whaitua's streams and harbour. Once priority areas have been identified, Greater Wellington should work with landowners to develop environment plans that set out how sediment losses will be reduced at a farm/property scale.

Recommendation 59

Greater Wellington develops a regulatory framework in the PNRP to:

- undertake farm/property-scale mapping to identify erosion-prone land in priority areas identified in Recommendation 58
- require land owners to develop an environment plan setting out how sediment losses will be reduced where erosion-prone land is identified above a certain threshold (e.g. more than specified number of hectares)
- require that, where identified erosion-prone land is vegetated in scrub, shrubs and/or non-plantation forestry, that vegetation should not be cleared for uses that are likely to increase sediment loss.

Recommendation 60

Greater Wellington aligns its programmes, planning, funding and support of sediment mitigation activities, including both riparian restoration and reductions in hill-slope and landslide erosion, within the identified priority areas.

Recommendation 61

Greater Wellington provides sufficient resources in the Whaitua to deliver land management advice, provide expert input into environment plans and to deliver on the work programmes identified.

Recommendation 62

Greater Wellington prioritises opportunities to mitigate sediment loss from erosion-prone lands in council-administered regional parks within the Whaitua.

11.2 Cultivation, break-feeding, vegetation clearance

There are a number of land-use activities that can cause excessive sedimentation in surface water bodies. The effects of these activities are managed through permitted activities provisions in the PNRP and the Committee considers these provisions are appropriate.

11.3 Stock access to waterways

Stock access to waterways and overland flow paths through grazed paddocks is one of the main routes for *E. coli* (from stock dung) entering waterways. Restricting stock access to waterways is a common method used to address a range of freshwater contaminants in rural areas, including *E. coli*.

The rule in the PNRP relating to livestock exclusion currently permits livestock access to water bodies in this Whaitua due to the criteria used to determine the exclusion areas and the scale of mapping.

The Committee recommends that where practical and where land slope permits, stock should be excluded from water bodies in the Whaitua. The general approach taken in the existing PNRP is largely appropriate but the Committee recommends amending it for the Whaitua to ensure all classes of land are included, not just the predominantly low land LUC Classes 1–4.²⁵ Before implementing livestock exclusion rules in the Whaitua, further work is required to develop the criteria for determining the exact areas where the rule would apply. The Committee has set the direction and intent of the rule but recommends that the setting of final criteria be undertaken as part of the plan change process.

The Committee acknowledged that there are a number of lifestyle blocks in the Whaitua and a wide variety of animals are kept on these properties. The Committee determined that the stock exclusion rule should apply equally to all types of livestock, including those kept on lifestyle blocks.

Recommendation 63

Greater Wellington amends the PNRP policy and rule framework to:

- map low-slope land areas for livestock exclusion using finer scale land-slope criteria that also take into account the average land slope within a specified distance from a water body
- require livestock exclusion from water bodies with an active bed of greater than 1m in width within the mapped low-slope areas
- apply to livestock as defined in Section 2 (*Interpretation*) of the PNRP.

Recommendation 64

Greater Wellington works with rural landowners to promote and implement good management practices, including integrated farm environment planning.



Planting and fencing is necessary to stop stock from entering waterways.

25 Land use capability classification – Landcare Research

11.4 Wastewater in rural areas

The rural parts of the Whaitua (primarily the Pouewe and Takapū WMUs) do not have a reticulated wastewater system and are therefore reliant on on-site wastewater systems (septic tanks). There is some uncertainty about the exact contribution of different sources of *E. coli* in rural parts of the Whaitua, but leaking or faulty on-site wastewater systems are likely to be a contributing factor.

While the nature and contribution of *E. coli* from on-site wastewater systems within the Whaitua is unclear, it is likely to be from older septic tanks that are not performing adequately and/or tanks that are non-compliant or not licenced.

PCC has a wastewater bylaw that requires that all on-site wastewater systems have a current wastewater system licence and that these systems comply with the by-law and other relevant codes and standards. The bylaw also includes provision for PCC to carry out inspections of these on-site wastewater systems and associated land application area. The PNRP also includes rules for new and upgraded on-site wastewater systems, and for existing on-site wastewater systems to ensure these are maintained and functioning properly.

Currently, there is a lack of proactive compliance monitoring of on-site wastewater systems in the Whaitua. The focus of the policy approach to manage domestic wastewater in rural areas is therefore on ensuring on-site wastewater systems are maintained and performing and that all systems are compliant.

Recommendation 65

Greater Wellington and PCC develop and implement a proactive compliance monitoring programme for on-site wastewater systems in the Whaitua to ensure they comply with the rules in the PNRP and PCC wastewater by-law.

Recommendation 66

PCC prioritises initial compliance monitoring efforts on unlicensed on-site wastewater systems and takes appropriate enforcement action as necessary to ensure all on-site wastewater systems in the Whaitua are licensed and compliant.

Recommendation 67

Greater Wellington and PCC provide information and raise the awareness of property owners about the importance of maintaining on-site wastewater systems and how to identify and address performance issues.



Water abstraction

12.1 Background

12.1.1 Issues and drivers

The taking of water from waterways (water abstractions) directly affects the ecological health of waterways by reducing stream flow – sometimes for substantial periods. This can reduce habitat space, and in smaller streams, lead to increases in temperature and reductions in dissolved oxygen. This directly impacts fish life and macroinvertebrate health. Therefore, the taking of water needs to be limited to ensure stream flow is adequate to provide for ecological health.

There is less demand for water in Te Awarua-o-Porirua Whaitua compared to other parts of the region such as the Ruamāhanga and the Kāpiti Coast. However, the streams in Te Awarua-o-Porirua Whaitua are generally small, short and have steep catchments and therefore do not have the quantity of water available for use as do other catchments in the region. Because of their relatively small size (catchment, length and flows) the streams in the Whaitua can be affected by relatively small abstractions.

12.1.2 Demand for taking water

Much of the Whaitua's population is served by a reticulated water supply sourced from outside the Whaitua (from the Hutt, Wainuiomata and Orongorongo catchments) so abstraction from streams is mostly limited to rural areas, where water is taken for domestic needs, animal drinking water, golf course, nursery and pastoral irrigation, and for temporary construction works (e.g. Transmission Gully).

Estimates indicate that of the total amount of water available in streams in the Whaitua only a small proportion is taken (less than 5%), principally for domestic use and animal drinking water.²⁶ However, the potential amount of water that could be used under the current PNRP permitted activity provisions is substantial and could exceed the allocation limits for some of the streams.

Pressure on streams could also increase in future as a result of climate change, which is predicted to decrease the mean annual low flow (MALF) in streams by up to 40% by 2040, increase the number of hot days (above 25°C) annually by up to 10 days by 2040 (30 days by 2090), and increase annual potential evapotranspiration²⁷ deficit by 60-100mm (2040) and 60-120mm (2090)²⁸.

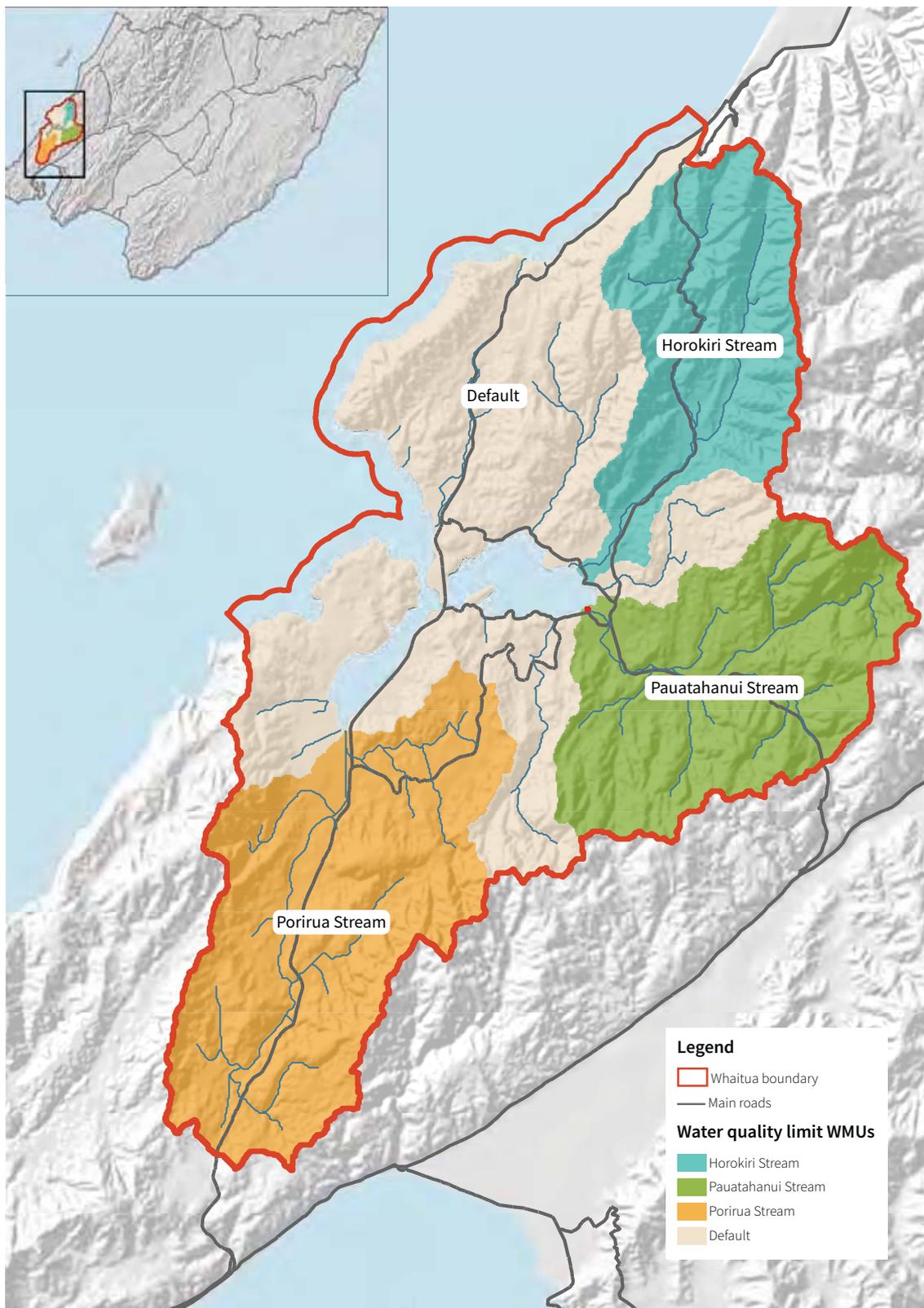
26 Beca 2017. 'Modelling permitted surface water use in Te Awarua-o-Porirua Whaitua'. Accessed from http://gwrc_live/cms/assets/REPORT-Modelling-Permitted-Surface-Water-Use-in-Te-Awarua-o-Porirua-Whaitua-23-May-2017.pdf

Beca 2017, Modelling permitted surface water use in Te Awarua-o-Porirua Whaitua

27 The amount of water that would be evaporated and transpired by a crop or ecosystem if there were sufficient water available

28 GWRC 2017. 'Whaitua climate change projections'. Accessed from <http://www.gw.govt.nz/assets/Climate-change-2/WhaituaClimateChangeprojections.pdf> GWRC 2017. Whaitua climate change projections <http://www.gw.govt.nz/assets/Climate-change-2/WhaituaClimateChangeprojections.pdf>

Figure 4. Map of Te Awarua-o-Porirua Water quantity management units



12.2 Water quantity management units

It should be noted that the management units for the purpose of water allocation differ from the WMUs for water quality described in Section 3. The management units for water allocation have been based on catchment delineation in order to apply minimum flow and allocation limits, while the water quality WMUs have been based on a variety of factors, as outlined in Section 3. The water allocation WMUs are shown in Figure 4 (previous page).

12.3 Water quantity limits

Policy B1 of the NPSFM requires regional councils to set environmental flows (limits) for all freshwater management units in its region. Environmental flows for rivers and streams must include at least an allocation limit and a minimum flow (or other flow/s), primarily to manage abstraction effects. However, they can also include other types of limits to manage other aspects of flow regimes such as flow variability. The Committee considered that both allocation and minimum flow of limits are justified in the Te Awarua-o-Porirua Whaitua.

Current policy and rules in the PNRP uses default limits of 90% mean annual low flow (MALF) for the minimum flow and 30% MALF for the allocation limit for Te Awarua-o-Porirua Whaitua. Technical advice given to the Committee based on habitat modelling was that 90% and 30% was at the environmentally conservative end of the spectrum, meaning the limits provide well for the ecological health, habitat space and mahinga kai species such as the taonga species tuna (longfin eels).

However, the Committee wished to see these limits expressed as specific numbers rather than default percentages of MALF as presently set out in the PNRP.

For WMUs with monitoring information available the following minimum flows and allocation amounts have been set as outlined in Tables 12 and 13.

Table 12. Minimum flows

WMU	Management point	Minimum flow (litres per second)
Porirua Stream	Town Centre	128
Pauatahanui Stream	Gorge	101
Horokiri Stream	Snodgrass	82

Table 13. Allocation amounts for water quantity management units

WMU	Allocation amount (litres per second)
Porirua Stream	60
Pauatahanui Stream	34
Horokiri Stream	27

For all other streams in the Whaitua not included in the WMUs listed in Tables 12 and 13, a minimum flow of 90% of MALF and an allocation amount of 30% of MALF will apply. The actual flows will be calculated at the time of a resource consent application by the applicant in conjunction with Greater Wellington.

Recommendation 68

Greater Wellington amends the rule and the associated policy framework in the PNRP to take water from a stream in the Te Awarua-o-Porirua Whaitua so that it incorporates the limits listed in Tables 12 and 13. Amendments to the rule and policy framework should also ensure that no more than 30% of MALF (of the tributary) can be taken from a tributary within the WMUs listed in Tables 12 and 13.

12.4 Permitted activities

The current region-wide provisions of the PNRP allow a property to take up to 20,000 litres of water per day without resource consent. Because there is no current requirement to register or monitor a permitted use this creates considerable uncertainty, undermining the Committee's desire to manage human impacts on water bodies in the Whaitua.

The Committee noted that under the PNRP, property owners currently have an (perceived and actual) entitlement to take water for uses beyond reasonable domestic and animal drinking water. However, the Committee considered that people taking water from streams in rural areas should be subject to the same sort of restrictions/limits as those in urban areas. For example, users should not be able to take water from a stream for garden or lawn irrigation when the streams have low flows and urban areas have restrictions on outdoor use of water. The Committee therefore considered it appropriate to recommend removing the permitted activity rule for the taking of water and require consent for any take of water that cannot be considered reasonable domestic use or use for animal water. Removing the permitted activity rule for the Whaitua will remove the uncertainty and create a good incentive for using alternative sources of water such as rainwater tanks.

In its decision to remove the permitted activity rule, the Committee recognised that there are some 'one-off' or infrequent uses of water such as for farm-spraying operations. The Committee considered it would be unreasonable to require users to obtain resource consent for these 'one-off' activities as the effects of the takes would be expected to be minor (provided the rate and volume were small and the take did not occur when the stream was at or below its minimum flow).

In addition to removing the PNRP permitted activity rule, the Committee considered it was important to provide certainty for water users by defining what constituted 'reasonable domestic use' and 'animal drinking water' and the type of uses and volume of abstraction these categories allowed for.

Recommendation 69

Greater Wellington removes the permitted activity rule in the PNRP that allows water to be taken from a waterbody in the Te Awarua-o-Porirua Whaitua.

Note: water for reasonable domestic use and animal drinking water is authorised under section 14(3)(b) of the RMA.

Recommendation 70

Greater Wellington amends the PNRP policy and rule framework to allow for 'one off' incidental uses of water in the Te Awarua-o-Porirua Whaitua (such as for water required for farm-spraying operations). The rate of water taken must be no greater than 2.5L/s, the volume no greater than 5,000 litres per day and no more than 10,000 litres in any one calendar month. Water must not be taken when the affected waterway is below the minimum flow. Users must keep records of the amount taken.

Recommendation 71

Greater Wellington defines the meaning of domestic and animal drinking water use in the PNRP, using narrative and (as appropriate) numbers (volume/day), for example:

- water for an individual's reasonable domestic needs is the amount sufficient to provide for hygiene, sanitary and domestic requirements. Consideration should be given to how vegetable garden watering could be allowed for while lawn or pasture irrigation may be beyond the scope of reasonable domestic needs
- water for reasonable needs of a person's animals for drinking is the amount sufficient to provide for the health and welfare of animals.

Recommendation 72

Greater Wellington investigates mechanisms to incentivise or encourage the installation and use of roof-collected rainwater (tanks) for domestic and non-domestic uses.

Recommendation 73

Greater Wellington collects better information on water take and use volumes, including for takes under 14(3)(b) of the RMA, in order to provide for more accurate and transparent accounting of water use, better management of the Whaitua's waterways, and to ensure the requirements of the NPSFM are met.

12.5 Resource Consents

In addition to the recommendations to meet water quantity limits set by the Committee in section 4, the Committee considered it was important that every take of water from a stream was metered, regardless of the size of the take. It considered metering was necessary given the relatively small size and flow of streams in the Whaitua, the potential increase in demand from lifestyle blocks and other developments and the impacts of climate change.

To ensure the community is aware of the new requirements to obtain resource consent for all takes (other than for reasonable domestic and stock drinking water) the Committee recommends the roll-out of a public information and education programme. The programme would raise awareness of the new consent requirements and provide assistance with the resource consent process.

Recommendation 74

Greater Wellington amends the PNRP to ensure all takes requiring resource consent within the Te Awarua-o-Porirua Whaitua require metering to ensure accurate and reliable records of abstractions are maintained.

Recommendation 75

Greater Wellington develops an information and education programme to ensure land owners affected by the removal of the permitted activity rule are aware of the new resource consent requirements and provided with assistance with the resource consent process.



List of recommendations

Recommendation 1

Greater Wellington amends the PNRP to include the objectives set out in Table 3 and 4 (including the numeric objectives in Appendix 3) and the narrative objectives in Section 4.8.

Recommendation 2

Greater Wellington undertakes a full review at the next regional plan review (in 10 years) on progress towards achieving the objectives in this WIP and the effectiveness of the management responses and makes changes as necessary to the PNRP to ensure progress is satisfactory.

Recommendation 3

Greater Wellington works with Ngāti Toa Rangatira, PCC and Wellington Water through various mechanisms (including the Harbour Strategy) to implement this WIP and prioritise actions within the Rangituihū WMU and the catchments that contribute to hotspot areas of elevated metal concentrations within the harbour. This work will comprise:

- identifying the catchments that contribute to the harbour hotspot areas
- identifying areas of piped stream in the lower reaches of the Rangituihū WMU that could be day-lighted
- targeting a pollution prevention programme (Recommendation 36) within these catchments.

Recommendation 4

Greater Wellington amends the policy and rule framework of the PNRP to set water quality limits and targets for *E. coli* for each freshwater WMU within Te Awarua-o-Porirua Whaitua, in accordance with the *E. coli* objectives set out in Table 14 (Appendix 3).

Recommendation 5

Greater Wellington amends the policy and rule framework of the PNRP to set water quality limits and targets for ammonia for each freshwater WMU within Te Awarua-o-Porirua Whaitua, in accordance with the ammonia objectives in Table 15 (Appendix 3).

Recommendation 6

Greater Wellington amends the policy and rule framework of the PNRP to set total nitrogen and total phosphorus load limits entering the Onepoto Arm WMU and Pauatahanui Inlet WMU to maintain the current loads (as shown in Tables 5 and 6).

Recommendation 7

Greater Wellington amends the policy and rule framework of the PNRP to set total zinc and copper load limits and targets entering the Onepoto Arm WMU and Pauatahanui Inlet WMU, in accordance with Tables 7 and 8.

Recommendation 8

Greater Wellington amends the policy and rule framework of the PNRP to set sediment load limits and targets entering the Onepoto Arm WMU and Pauatahanui Inlet WMU, in accordance with Table 9.

Recommendation 9

Greater Wellington amends the policy and rule framework of the PNRP to include incrementally decreasing limits for each contaminant over time.

Recommendation 10

Greater Wellington amends the policy and rule framework of the PNRP to set nutrient concentration criteria for DIN and DRP concentrations for each freshwater WMU within Te Awarua-o-Porirua Whaitua, in accordance with Table 10.

Recommendation 11

Together with Harbour Strategy partners PCC, WCC and Ngāti Toa Rangatira, Greater Wellington develops and implements an aquatic ecosystem and habitat action plan for Te Awarua-o-Porirua Whaitua to achieve the freshwater and coastal water objectives.

Greater Wellington amends the PNRP to include this action plan development as a method for achievement of the objectives.

The action plan could include, but not be limited to, the following components.

- 1) **Baseline assessment** of aquatic ecosystem health including identification, analysis and mapping of:
 - aquatic habitats, including wetland seep areas and streams (perennial, intermittent and ephemeral)
 - existing riparian vegetation and its protection (e.g. fenced areas) and
 - areas of ecological significance, including spawning areas.
- 2) **Identification of factors affecting ecosystem health** including:
 - locations with streambank erosion
 - stormwater outfalls and retaining structures
 - high-risk sediment source areas
 - fish passage barriers and
 - modified areas of water courses (e.g. straightened, piped, hard edged or bottomed streams).
- 3) **Implementation plan**, including:
 - prioritisation of catchments and interventions for greatest impact
 - criteria for re-vegetation and other measurable targets
 - targets and timeframes to protect and restore aquatic habitats and
 - a description of commitments by Greater Wellington, other relevant organisations and landowners.

When developing and implementing the action plan, Greater Wellington should:

- work with landowners, councils, sectors and community groups
- incorporate traditional and local knowledge
- ensure all riparian margins on Greater Wellington land are protected and planted (where practicable) as a matter of priority to showcase best practice
- align with existing programmes, including those in the revised Harbour Strategy and
- recognise, review and align with PNRP changes, including schedules identifying areas of significance.

This aquatic ecosystem and habitat action plan would ideally be integrated into the reviewed and revised actions of Harbour Strategy partners (Greater Wellington, PCC, WCC and Ngāti Toa Rangatira) in the updated Harbour Strategy.

Recommendation 12

Greater Wellington, WCC and PCC amend the policy and rule framework in the PNRP and district plans to control the effects of urban development on riparian margins. The framework must require:

- setbacks from streams for any activity (excluding riparian restoration activities)
- restrictions on hard surfaces.

Recommendation 13

Greater Wellington works with WCC and PCC:

- to identify options to protect, restore and enhance riparian margins in greenfield and brownfield developments
- on a Whaitua-wide riparian protection, planting and maintenance programme by:
 - increasing funding (and awareness of existing funding) for riparian protection and restoration (including fencing, planting and maintenance)
 - building partnerships and supporting existing and new restoration projects
 - providing educational programmes and expert advice.

Recommendation 14

Greater Wellington amends the PNRP policy and rule framework to require, where necessary:

- protection and restoration of all aquatic ecosystems in the Te Awarua-o-Porirua Whaitua
- the avoidance of reclamation and/or drainage of beds of lakes, streams (including intermittent) and wetlands, with no exemption for special housing areas and urban growth areas.

Recommendation 15

Greater Wellington works with PCC, WCC and Wellington Water to identify opportunities to enhance the natural form, character, ecosystem health and capacity for mahinga kai of streams and the harbour, including:

- restoring modified streams, including hard-edged, hard-bottomed (e.g. concreted) or channelled sections, to provide physical diversity of banks and bed habitat
- restoring natural meander in straightened channels
- restoring piped or culverted reaches to a more natural state by daylighting streams
- protecting native aquatic species habitat
- protecting fish passage, including removal of tide valves from stream outlets or use of valves which enable fish passage and
- investigating fish passage barriers in piped streams and developing methods to enhance their ecological connectivity.

Recommendation 16

Greater Wellington works towards reducing streambank erosion by:

- investigating the causes of streambank erosion
- identifying land-use activities that contribute to streambank erosion
- exploring options for streambank protection and rehabilitation, including options to support and incentivise landowner action.

Recommendation 17

Greater Wellington works together with Ngāti toa Rangatira, PCC, WCC and other relevant stakeholders to help set up and/or support catchment and community groups to identify and implement optimal local solutions to achieve the objectives, limits and targets in this WIP.

Recommendation 18

Greater Wellington, WCC, PCC and Wellington Water work together to raise water literacy, awareness of receiving freshwater and marine environments, and consumption and conservation practices. This work will be coordinated and delivered through various mechanisms (including the Harbour Strategy) and should include:

- PCC and WCC adding an ‘Environmental Water Zone’ to residential and commercial Land Information Memorandum (LIM) reports to link properties with receiving freshwater and marine environments
- naming streams from headwaters to the harbour, including piped sections and drains, and using these in stormwater network infrastructure and asset plans
- installing signs at all freshwater outlets into the harbour, including pipes, to indicate that they are streams
- Greater Wellington developing an online interactive mapping tool with a GIS layer identifying WMUs and associated streams, including headwaters.

Recommendation 19

Innovation in land and water management practice in Te Awarua-o-Porirua Whaitua is encouraged and actively facilitated by Greater Wellington, PCC, WCC and Wellington Water, including by:

- regularly monitoring and reviewing progress towards achieving the freshwater and coastal water objectives as set out in this WIP and the updated Harbour Strategy and the effectiveness of the management responses
- adding a policy into the PNRP, to be considered in resource consent processes, that recognises the value of innovative practice in the achievement of the objectives of Te Awarua-o-Porirua Harbour Whaitua
- taking opportunities for ongoing plan changes and updates to guidance documents to provide for innovative practice
- avoiding resource consent conditions that would prevent trialling of alternative management approaches
- encouraging and providing opportunities for landowners and sector groups to develop innovative practice
- investing in research and development to identify and adopt innovative practice.

Recommendation 20

Greater Wellington, PCC, WCC and Wellington Water maximise opportunities to demonstrate good management practice in respect of ecosystem health and water management, including by:

- demonstrating water-sensitive urban design practice on projects such as town centre redevelopments, transport hubs and buildings
- replacing copper brake pads in fleet vehicles with low copper or copper-free alternatives
- increasing targeted street sweeping in high traffic locations
- demonstrating and showcasing good practice land and ecosystem management on council land, including in Greater Wellington's regional parks
- promoting best practice by community and industry

- identifying opportunities to promote best practice water management messages through the media.

These opportunities will be identified and delivered through the various mechanisms, including the Harbour Strategy. They may also be included in other planning documents developed by Greater Wellington and the contributing agencies such as the Parks Network Plan.

Recommendation 21

Greater Wellington undertakes an exercise to determine additional investigations and monitoring needed to better understand the causes and effects of poor water quality to inform future management.

Recommendation 22

Greater Wellington works with relevant agencies and groups to support citizen science initiatives that enable communities to assess stream health and evaluate management activities.

Recommendation 23

Greater Wellington, PCC, WCC and Wellington Water reviews their compliance and enforcement practices to ensure:

- a consistent and reliable approach between institutions to the enforcement of all water-related policies, bylaws and regulations, creating a clear pathway for changing practice
- regulations are applied fairly and consistently
- sufficient resource is committed for compliance and enforcement activities, including the collection of financial fines for infringements
- local communities are provided with enough information to enable them to more effectively assist with reporting of non-compliance and pollution incidents to the council.

Recommendation 24

Greater Wellington, WCC, PCC and Wellington Water look at options for spatial planning for the future development of Te-Awarua-o-Porirua Whaitua.

Recommendation 25

Greater Wellington, WCC, PCC and Wellington Water work to align urban growth planning within Te Awarua-o-Porirua Whaitua to achieve social, cultural, economic and environmental objectives that provide for the values of Ngāti Toa Rangatira and the community. Consideration must be given to the:

- National Policy Statement for Urban Development Capacity, including the results from the Wellington Housing and Business Capacity Assessment
- National Policy Statement for Freshwater Management, including the freshwater objectives, limits and targets for Te Awarua-o-Porirua Harbour and streams
- Full cost of urban development, including construction and maintenance of infrastructure over its lifetime
- Specific characteristics of Te Awarua-o-Porirua Whaitua, including the relationship with Ngāti Toa Rangatira, topography, demography, transport infrastructure and urban form.

Recommendation 26

Greater Wellington, PCC, WCC and Wellington Water work together to provide a clear cohesive policy direction and align and streamline planning processes. This work may include:

- amendments to the Regional Policy Statement for the Wellington Region to guide regional and district plan changes
- alignment of strategic plans, regional plans, district plans, and infrastructure plans and supporting documentation including water-sensitive urban design guidelines
- joint resource consent application processing
- joint plan change processing to add new urban areas to existing zoned areas
- distinction in respect of any jurisdictional overlap
- utilising the transfer of powers or delegated authority provisions in the RMA.

Recommendation 27

Greater Wellington amends the PNRP to include a policy and rule framework that identifies the urban area and controls the location and extent of new urban development areas within Te-Awarua-o-Porirua. The framework must set a more stringent rule activity status for new urban development outside of the identified urban area.

Recommendation 28

Greater Wellington, WCC and PCC amend the policy and rule framework in the PNRP and the district plans to control the effects of urban development on water quality and catchment hydrology. In particular the policy and rule framework must:

- require the design, construction and maintenance of developments to demonstrate good practice in water sensitive urban design
- specify that a certain percentage of the mean annual volume of the catchment be treated by an approved device(s) to achieve a certain percentage reduction in total zinc and copper, these being proxies for a suite of other contaminants
- manage the effects from both small infill developments and larger scale brownfield and greenfield developments through permitted activity conditions and the resource consenting process.

Recommendation 29

Greater Wellington, PCC, WCC and Wellington Water look for opportunities to initiate and incentivise the adoption of good practice in water-sensitive urban design, including through:

- development and implementation of an education programme for consultants, developers and council staff on the new policy direction and ways to meet requirements
- programmes that improve industry and council capability and capacity
- financial incentives
- recognition and acknowledgement of good practice through certification schemes and design competitions.

Recommendation 30

Greater Wellington, WCC and PCC amend the policy and rule framework in the PNRP and/ the district plans, to control hydrological impacts of urban development by ensuring that the design, construction and maintenance of new developments manage stormwater runoff to mitigate changes in runoff volumes and flow rates. This will be achieved through good practice in water-sensitive urban design. In particular the policy and rule framework must require the following from developers.

For greenfield development:

- The modelled mean annual runoff volume generated by the fully developed area must not exceed the mean annual runoff volume modelled from the site in an undeveloped (pastoral) state
- The modelled mean annual exceedance frequency of the 2-year Average Recurrence Interval (ARI) so-called 'channel forming' (or 'bankfull') flow for the point where the fully developed area discharges to a stream must not exceed the mean annual exceedance frequency modelled for the same site and flow event arising from the area in an undeveloped (pastoral) state.

For brownfield and infill development:

- The modelled mean annual runoff volume generated by the fully developed area must, when compared to the mean annual runoff volume modelled for the site prior to the brownfield or infill development, be reduced as far as practicable towards the mean annual runoff volume modelled for the site in an undeveloped state
- The modelled mean annual exceedance frequency of the 2-year ARI so-called 'channel forming' (or 'bankfull') flow for the point where the fully developed area discharges to a stream, or stormwater network, shall be reduced as far as practicable towards the mean annual exceedance frequency modelled for the same site and flow event in an undeveloped state. (See also implementation notes, below.)

Implementation notes for Recommendation 30

- Potential developers will be required to demonstrate compliance with the above hydrological limits through the process of obtaining resource consent.
- The policy and rule framework will include a permitted activity threshold for small brownfield and infill developments, above which a consent pathway is required to demonstrate compliance with the hydrological limits. The permitted activity provision will include conditions requiring prescriptive, demonstrable minimum standards of practice to be met for small activities to be permitted.
- Guidance will be provided on acceptable models for developers to use in their consent application to demonstrate compliance with limits. This will include guidance on acceptable assumptions around the meaning of 'undeveloped state'. The same model must be used to assess the pre-, post- and undeveloped state for a given development application, in order to provide a robust assessment against the limits.
- For brownfield and infill developments, the practicability of the proposed reductions in mean annual runoff volume and mean annual exceedance frequency must be justified in the consent application for the proposed development.

Recommendation 31

Greater Wellington amends the policy and rule framework in the PNRP to manage and progressively improve stormwater discharges to achieve the freshwater and coastal water objectives, limits and targets for Te Awarua-o-Porirua. In developing the amended framework Greater Wellington must:

- tailor the framework to the different scales and types of stormwater discharges such as for individual properties, state highways and local authority stormwater networks
- include a more stringent rule activity status for stormwater discharges that discharge into waterbodies where the current water quality is worse than the limit or target compared to those catchments where current water quality is better than the limit for a respective contaminant

- investigate the potential to increase the alignment of the resource consent requirements with the service planning function undertaken by Wellington Water
- include requirements for resource consent applications and stormwater management strategies to demonstrate how they will meet the freshwater and coastal water objectives, limits and targets in this WIP, including a staged approach to meet progressively reducing limits
- include policy direction to target 'priority' areas in both freshwater and coastal environments by prioritising improvements in the stormwater network.

Recommendation 32

Greater Wellington, PCC, WCC and Wellington Water identify opportunities and investigate methods for incentivising stormwater mitigations within the existing urban footprint and maximise the opportunities provided by infill and brownfields redevelopments. This could include:

- identifying potential brownfield redevelopment areas and supporting master planning at the outset to integrate water management with other development drivers
- identifying potential locations for stormwater mitigations
- providing public investment into upgrading existing stormwater infrastructure
- providing incentives to treat stormwater from the wider stormwater network within brownfield development sites
- exploring and promoting public-private partnerships and funding models to encourage redevelopment of brownfield sites.

Recommendation 33

Greater Wellington, PCC, WCC and Wellington Water investigate and implement options to progressively upgrade or replace high zinc and copper-yielding building materials from existing urban areas. This may include:

- developing and implementing an incentive scheme to paint or replace large-scale high zinc-yielding industrial and commercial roofs

- identifying and targeting high contaminant contributing areas
- prioritising catchments that contribute to the hotspot areas of degradation.

Recommendation 34

Greater Wellington advocates to central government that it initiate change at a national level to restrict the use of high zinc- and copper-yielding building materials.

Recommendation 35

PCC, WCC and Wellington Water work together in high-risk areas to increase and prioritise regular street sweeping and sump clearance and investigate other opportunities to capture and clear contaminants from stormwater drains.

Recommendation 36

Greater Wellington, PCC, WCC, Wellington Water and relevant industry groups develop and implement a pollution prevention programme. This will be outlined, delivered and monitored through various mechanisms, including the Harbour Strategy. The programme must:

- raise the awareness of the public about what they can do to reduce their impacts on harbour and stream health
- promote and incentivise industry good management practice targeting high-risk land-use activities that contribute relatively high levels of contamination
- identify and target priority areas for contaminant reduction based on the identification of catchments that contribute to localised hotspot areas
- investigate opportunities to enable change by streamlining regulatory processes and removing barriers to businesses and industry initiating change
- work with specific industries/suppliers to increase understanding around risks from exterior chemical cleaning products with an aim to reduce usage through point of sale warnings and changes in product care advice.

Recommendation 37

Greater Wellington investigates options to revise the controls on chemical cleaning products (such as '30 seconds' type cleaning products) and advocates to central government for better control of these products at a national level.

Recommendation 38

Greater Wellington advocates to central government that high zinc and copper yielding materials in vehicles be progressively replaced with lower yielding alternatives.

Recommendation 39

Greater Wellington, PCC and WCC raise the awareness of the public of the effects of copper brake pads and actively promote low-copper/copper-free alternatives.

Recommendation 40

Greater Wellington amends the policy and rule framework in the PNRP as necessary to manage and progressively improve wastewater discharges in Te Awarua-o-Porirua Whaitua to achieve the freshwater and coastal water objectives, limits and targets in this WIP. The policy and rule framework must:

- require resource consent applications and wastewater management strategies to demonstrate how they will meet the freshwater and coastal water objectives, limits and targets in this WIP, including through a staged approach
- recognise and address the complexities of the wastewater network, including issues with capacity, overflows, leaks, and cross connections
- require assessment of the progress towards achieving the *E. coli* and enterococci objectives and amendments of programmes and strategies if expected progress is not achieved
- acknowledge the interrelationship of stormwater and wastewater.

Recommendation 41

Greater Wellington amends the policy and rule framework in the PNRP and PCC and WCC amend the relevant district plans as necessary to ensure that new urban development and redevelopment do not exacerbate issues with the wastewater network by providing adequate on-site storage, including requirements for applicants to demonstrate how wastewater generated by development will be managed.

Recommendation 42

Wellington Water develops and implements wastewater programmes, strategies and/or plans to improve the wastewater network to achieve the freshwater and coastal water objectives, limits and targets in this WIP. The development and implementation of these programmes, strategies and plans must:

- clearly set out the steps, actions and milestones to deliver the necessary improvements
- inform the investment strategies of the 2021-2031 Long Term Plans for Greater Wellington, PCC and WCC
- assess all wastewater management options and identify priority areas for actions
- provide an integrated assessment and management approach for all forms of wastewater discharges from the network and the associated effects on freshwater and coastal receiving environments
- address both dry weather wastewater discharges and wastewater network overflows
- adopt an integrated catchment approach that recognises the interconnected nature of the wastewater network and the receiving environments for these discharges
- align funding and investment with Greater Wellington, PCC and WCC for these actions and improvements to occur.

Recommendation 43

Greater Wellington, WCC and PCC work together to integrate and align regional plans, district plans and infrastructure service plans to achieve the freshwater and coastal water objectives, limits and targets in this WIP.

Recommendation 44

PCC and WCC align their policies on the licencing, monitoring and enforcement of Trade Waste discharges into the wastewater network.

Recommendation 45

PCC, WCC and Wellington Water work together to identify sub-catchments within the Whaitua that have the most widespread issues with private laterals and cross connections, and prioritise these sub-catchments for improvement.

Recommendation 46

PCC, WCC and Wellington Water initiate a comprehensive work programme to identify and address issues with the private wastewater network within the Whaitua, including:

- education and guidance for home and business-owners in relation to leaking laterals, cross-connections and the consequences of non-compliance
- promotion of redevelopment as an opportunity to address existing cross-connections and leaking laterals
- financial mechanisms and incentives, such as rates relief or targeted rates in priority sub-catchments, to assist property owners to get their pipes checked and fixed
- investigation and implementation of the best regulatory methods to address cross connections, e.g. through a by-law that requires the pipes to be checked and certified at the time of sale or through a warrant of fitness scheme.

Recommendation 47

Greater Wellington, PCC, WCC and Wellington Water target redevelopment and regeneration projects, such as those led by Housing New Zealand, as an opportunity to address existing wastewater and stormwater network issues through education, advocacy and regulation.

Recommendation 48

PCC and WCC building compliance officers undertake proactive, consistent compliance monitoring of connections in new builds and renovations to ensure there are no cross connections, including a system for recording which properties have been checked and assessed and when issues have been resolved.

Recommendation 49

Greater Wellington amends the policy and rule framework in the PNRP to set discharge standards for earthwork activities that require consent in order to achieve the sediment targets and limits in the WIP.

Recommendation 50

WCC and PCC have consistent bylaws and guidance for silt and sediment control within the Whaitua. Consideration must be given to the effects of climate change to ensure control measures are designed to meet increasing intensity and duration of rainfall events.

Recommendation 51

Greater Wellington reviews and updates publications, including *Small earthworks – Erosion and sediment control for small sites* (2006), and *Erosion and sediment control guidelines* (2000), to ensure the methods and principles they set out reflect current good practice. Amendments may include increasing the design standards to deal with more significant but less frequent rainfall events.

Recommendation 52

Greater Wellington, WCC and PCC develop a compliance programme to ensure good practice in relation to silt and sediment control is followed for all earthworks, particularly in relation to permitted activities. This should also include a required frequency of cleanout and monitoring of retention basins to reduce the risks of retention basins being overwhelmed.

Recommendation 53

Greater Wellington, in conjunction with WCC and PCC, develops an education programme to ensure that good practice for silt and sediment control is understood by those carrying out earthworks.

Recommendation 54

Greater Wellington works with the forestry sector to identify potential barriers and risks to good practice in reducing sediment from forestry operations and works with the industry to overcome the risks and barriers.

Recommendation 55

Upon receiving notice under the NESPF of earthworks, forestry quarrying or harvesting in the Te Awarua-o-Porirua Whaitua, Greater Wellington requests a copy of the Forestry Earthworks Management Plan and Harvest Plan or Quarry Erosion and Sediment Management Plan and actively monitors compliance to ensure sediment discharges to waterbodies are minimised.

Recommendation 56

Greater Wellington provides sufficient resources to deliver consistent advice on forestry good practice and compliance, both within the Whaitua and across the region.

Recommendation 57

Greater Wellington develops a charging policy under the NESPF for the monitoring of permitted activities.

Recommendation 58

Greater Wellington undertakes further work to determine priority areas for reducing sediment in the Whaitua's streams and harbour. Once priority areas have been identified, Greater Wellington should work with landowners to develop environment plans that set out how sediment losses will be reduced at a farm/property scale.

Recommendation 59

Greater Wellington develops a regulatory framework in the PNRP to:

- undertake farm/property-scale mapping to identify erosion-prone land in priority areas identified in Recommendation 58
- require land owners to develop an environment plan setting out how sediment losses will be reduced where erosion-prone land is identified above a certain threshold (e.g. more than specified number of hectares)
- require that, where identified erosion-prone land is vegetated in scrub, shrubs and/or non-plantation forestry, that vegetation should not be cleared for uses that are likely to increase sediment loss.

Recommendation 60

Greater Wellington aligns its programmes, planning, funding and support of sediment mitigation activities, including both riparian restoration and reductions in hill-slope and landslide erosion, within the identified priority areas.

Recommendation 61

Greater Wellington provides sufficient resources in the Whaitua to deliver land management advice, provide expert input into environment plans and to deliver on the work programmes identified.

Recommendation 62

Greater Wellington prioritises opportunities to mitigate sediment loss from erosion-prone lands in council-administered regional parks within the Whaitua.

Recommendation 63

Greater Wellington amends the PNRP policy and rule framework to:

- map low-slope land areas for livestock exclusion using finer scale land-slope criteria that also take into account the average land slope within a specified distance from a water body
- require livestock exclusion from water bodies with an active bed of greater than 1m in width within the mapped low-slope areas
- apply to livestock as defined in Section 2 (*Interpretation*) of the PNRP.

Recommendation 64

Greater Wellington works with rural landowners to promote and implement good management practices, including integrated farm environment planning.

Recommendation 65

Greater Wellington and PCC develop and implement a proactive compliance monitoring programme for on-site wastewater systems in the Whaitua to ensure they comply with the rules in the PNRP and PCC wastewater by-law.

Recommendation 66

PCC prioritises initial compliance monitoring efforts on unlicensed on-site wastewater systems and takes appropriate enforcement action as necessary to ensure all on-site wastewater systems in the Whaitua are licensed and compliant.

Recommendation 67

Greater Wellington and PCC provide information and raise the awareness of property owners about the importance of maintaining on-site wastewater systems and how to identify and address performance issues.

Recommendation 68

Greater Wellington amends the rule and the associated policy framework in the PNRP to take water from a stream in the Te Awarua-o-Porirua Whaitua so that it incorporates the limits listed in Tables 12 and 13. Amendments to the rule and policy framework should also ensure that no more than 30% of MALF (of the tributary) can be taken from a tributary within the WMUs listed in Tables 12 and 13.

Recommendation 69

Greater Wellington removes the permitted activity rule in the PNRP that allows water to be taken from a waterbody in the Te Awarua-o-Porirua Whaitua.

Note: water for reasonable domestic use and animal drinking water is authorised under section 14(3)(b) of the RMA.

Recommendation 70

Greater Wellington amends the PNRP policy and rule framework to allow for ‘one off’ incidental uses of water in the Te Awarua-o-Porirua Whaitua (such as for water required for farm-spraying operations). The rate of water taken must be no greater than 2.5L/s, the volume no greater than 5,000 litres per day and no more than 10,000 litres in any one calendar month. Water must not be taken when the affected waterway is below the minimum flow. Users must keep records of the amount taken.

Recommendation 71

Greater Wellington defines the meaning of domestic and animal drinking water use in the PNRP, using narrative and (as appropriate) numbers (volume/day), for example:

- water for an individual’s reasonable domestic needs is the amount sufficient to provide for hygiene, sanitary and domestic requirements. Consideration should be given to how vegetable garden watering could be allowed for while lawn or pasture irrigation may be beyond the scope of reasonable domestic needs
- water for reasonable needs of a person’s animals for drinking is the amount sufficient to provide for the health and welfare of animals.

Recommendation 72

Greater Wellington investigates mechanisms to incentivise or encourage the installation and use of roof-collected rainwater (tanks) for domestic and non-domestic uses.

Recommendation 73

Greater Wellington collects better information on water take and use volumes, including for takes under 14(3)(b) of the RMA, in order to provide for more accurate and transparent accounting of water use, better management of the Whaitua’s waterways, and to ensure the requirements of the NPSFM are met.

Recommendation 74

Greater Wellington amends the PNRP to ensure all takes requiring resource consent within the Te Awarua-o-Porirua Whaitua require metering to ensure accurate and reliable records of abstractions are maintained.

Recommendation 75

Greater Wellington develops an information and education programme to ensure land owners affected by the removal of the permitted activity rule are aware of the new resource consent requirements and provided with assistance with the resource consent process.





Appendices

Appendix 1: Public engagement activities to develop values

Event	Where and when	Surveys completed
Community Events (Information stall set up and community members asked to fill in a survey of three values questions)		
Festival of the Elements	Te Rauparaha Park and Arena, Aquatic Centre and Pataka, Porirua 6 February 2016	103
CreekFest	Cannons Creek Park 14 March 2016	111
Hongoeka Summer Festival	Hongoeka Marae, Plimmerton 27 February 2016	91
Whitireia Polytechnic Open Day	Whitireia, Porirua campus 15 February 2016	47
Public engagement workshops (open access public meetings where community members could meet the committee members)		
Lindon Social Centre	30 March 2016, 4-7pm	
Churton Park Community Centre	4 April 2016, 4-7pm	
St Mary's Church, Whitby	7 April 2016, 4-7pm	
Online survey (including the three values questions)		
Committee website	13 December 2015 – 31 st August 2016	
Other face-to-face discussions and Facebook		

Appendix 2: Additional attribute tables to develop freshwater and coastal water objectives for Te Awarua-o-Porirua Whaitua

The following tables have been developed to support the Committee in setting freshwater and coastal water objectives in a way that is consistent with the attributes provided in Appendix 2 of the NPSFM.

Value	Ecosystem health		
Water body type	Rivers and streams		
Attribute	Macroinvertebrate Community Index (MCI)²⁹		
Attribute unit			
Attribute State	Numeric attribute state		Narrative attribute state
	River class 2	River class 6	
A	≥130	≥120	Macroinvertebrate community is typical of undisturbed or reference conditions for the stream type
B	≥105	≥100	Macroinvertebrate community shows limited variance from the expected conditions for the stream type. Indicates low levels of disturbance and/or pollution
C	≥80	≥80	Macroinvertebrate community shows variance from the expected conditions for the stream type. Indicates moderate levels of disturbance and/or pollution
D	<80	<80	Macroinvertebrate community shows substantial variance from the expected conditions for the stream type. Indicates significant levels of disturbance and/or pollution.

29 Clapcott J, Goodwin E 2014. Technical report of Macroinvertebrate Community Index predictions for the Greater Wellington region. Prepared for Greater Wellington Regional Council. Cawthron Report No. 2503.

<http://www.gw.govt.nz/assets/Plans--Publications/Regional-Plan-Review/Draft-Regional-Plan-docs/2014-Technical-Reports/TechnicalreportMCIpredictionsfortheWellingtonregion.pdf>

Value	Ecosystem health	
Water body type	Rivers and streams	
Attribute	Native freshwater fish	
Attribute unit		
Attribute State	Numeric attribute state	Narrative attribute state
A	N/A	Fish community is typical of undisturbed or reference conditions for the stream type
B	N/A	All expected reference condition species are present but populations may be under a low level of stress from, for example: <ul style="list-style-type: none"> • habitat disturbance • passage barriers • toxicants or organic pollutants
C	N/A	Most expected reference condition species are present but populations may be under a moderate level of stress from, for example: <ul style="list-style-type: none"> • habitat disturbance • passage barriers • toxicants or organic pollutants
D	N/A	Fish community shows large changes with loss of species that would be expected for the reference stream type. Reflects significant levels of disturbance and/or pollution.

Value	Ecosystem health	
Water body type	Intertidal harbour	
Attribute	Macroalgae³⁰	
Attribute unit	Ecological Quality Rating	
Attribute State	Numeric attribute state	Narrative attribute state
A	≥0.8	High ecological quality rating
B	≥0.6	Good ecological quality rating
C	≥0.4	Moderate ecological quality rating
D	<0.4	Poor ecological quality rating

30 Stevens, L.M. and Robertson, B.P. 2016. Porirua Harbour: Intertidal Macroalgal Monitoring 2015/16. Report prepared by Wriggle Coastal Management for Greater Wellington Regional Council. 12p

Value		Ecosystem health	
Water body type	Rivers and streams		
Attribute	Dissolved zinc (Toxicity)³¹		
Attribute unit	mg DZn/L		
Attribute State	Numeric attribute state		Narrative attribute state
	Median	95 th percentile	
A	≤0.0024	≤0.008	99% species protection High conservation value system. Unlikely to be effects even on sensitive species
B	≤0.008	≤0.015	95% species protection Some limited impact on most sensitive 5% of species
C	≤0.031	≤0.042	80% species protection Starts impacting regularly on the 20% most sensitive species. May be reduced survival of the most sensitive species
D	>0.031	>0.042	Impacts on multiple species, including risk of death for sensitive species

31 ANZECC. 2000. Australian and New Zealand guidelines for fresh and marine water quality. Australian and New Zealand Environment and Conservation Council, Agriculture and Resource Management Council of Australia and New Zealand

Values for this metal should be expressed as a function of hardness (mg/L) in the water column. The value given here corresponds to a standard hardness for ANZECC guidelines of 30 mg CaCO₃/L. Criteria values for other hardness may be calculated as per the equation presented in the ANZECC 2000 guidelines

Value	Ecosystem health		
Water body type	Rivers and streams		
Attribute	Dissolved copper (Toxicity)³²		
Attribute unit	mg DCu/L		
Attribute State	Numeric attribute state		Narrative attribute state
	Median	95 th percentile	
A	≤0.001	≤0.0014	99% species protection High conservation value system. Unlikely to be effects even on sensitive species
B	≤0.0014	≤0.0018	95% species protection Some limited impact on most sensitive 5% of species
C	≤0.0025	≤0.0043	80% species protection Starts impacting regularly on the 20% most sensitive species. May be reduced survival of the most sensitive species
D	>0.0025	>0.0043	Impacts on multiple species, including risk of death for sensitive species

32 ANZECC. 2000. Australian and New Zealand guidelines for fresh and marine water quality. Australian and New Zealand Environment and Conservation Council, Agriculture and Resource Management Council of Australia and New Zealand

Values for this metal should be expressed as a function of hardness (mg/L) in the water column. The value given here corresponds to a standard hardness for ANZECC guidelines of 30 mg CaCO₃/L. Criteria values for other hardness may be calculated as per the equation presented in the ANZECC 2000 guidelines

Value		Ecosystem health	
Water body type	Coastal water		
Attribute	Total zinc in sediment³³		
Attribute unit	mg Zn/Kg		
Attribute State	Numeric attribute state	Narrative attribute state	
		Fraction of ANZECC Interim Sediment Quality Guideline	
A	≤40	≤0.2	Very low risk of harm to aquatic species
B	≤100	≤0.5	Low risk of harm to aquatic species
C	≤200	≤1	<10% probability risk of harm to aquatic species
D	>200	>1	>10% probability risk of harm to aquatic species

33 Robertson, B.P. and Stevens, L.M. 2015. Porirua Harbour: Fine Scale Monitoring 2014/15. Report prepared by Wriggle Coastal Management for Greater Wellington Regional Council. 56p.

ANZECC. 2000. Australian and New Zealand guidelines for fresh and marine water quality. Australian and New Zealand Environment and Conservation Council, Agriculture and Resource Management Council of Australia and New Zealand

Value	Ecosystem health		
Water body type	Coastal water		
Attribute	Total copper in sediment³⁴		
Attribute unit	mg Cu/Kg		
Attribute State	Numeric attribute state	Narrative attribute state	
		Fraction of ANZECC Interim Sediment Quality Guideline	
A	≤13	≤0.2	Very low risk of harm to aquatic species
B	≤32	≤0.5	Low risk of harm to aquatic species
C	≤65	≤1	<10% probability risk of harm to aquatic species
D	>65	>1	>10% probability risk of harm to aquatic species

34 Robertson, B.P. and Stevens, L.M. 2015. Porirua Harbour: Fine Scale Monitoring 2014/15. Report prepared by Wriggle Coastal Management for Greater Wellington Regional Council. 56p.

ANZECC. 2000. Australian and New Zealand guidelines for fresh and marine water quality. Australian and New Zealand Environment and Conservation Council, Agriculture and Resource Management Council of Australia and New Zealand

Value		Human health for recreation	
Water body type	Coastal water		
Attribute	Enterococci³⁵		
Attribute unit	Enterococci/100mL		
Attribute State	Numeric attribute state		Narrative attribute state
	95 percentile (cfu/100ml)	Percentage of exceedances over 500 Enterococci per 100 ml	
A	≤40	≤5%	Estimated GI risk is <1% and AFRI risk is <0.3% from a single exposure. The estimated GI risk is >10% and AFRI risk is >4% less than 5% of the time.
B	≤200	≤10%	Estimated GI risk is 1-5% and AFRI risk is 0.3-2% from a single exposure. The estimated GI risk is >10% and AFRI risk is >4% between 5 and 10% of the time.
C	≤500	≤20%	Estimated GI risk is 5-10% and AFRI risk is 2-4% from a single exposure. The estimated GI risk is >10% and AFRI risk is >4% between 10 and 20% of the time.
D	>500	>20%	Estimated GI risk is >10% and AFRI risk is >4% from a single exposure. The estimated GI risk is >10% and AFRI risk is >4% more than 20% of the time.
GI is gastrointestinal illness and AFRI is acute febrile respiratory illness			

35 Ministry for the Environment 2003. Microbiological Water Quality Guidelines for Marine and Freshwater Recreational Areas.

Appendix 3: Summary of current state and freshwater and coastal water objectives for Te Awarua-o-Porirua Whaitua

Table 14. Numeric freshwater objectives for river freshwater management units: *E. coli*

Freshwater WMU group		Taupō	Rangituhi	Pouewe	Takapū	Te Riu o Porirua	
<i>E. coli</i>	CURRENT STATE	E	E	E	E	E	
	FRESHWATER OBJECTIVE	OBJECTIVE STATE	B	A	B	C	C
		% EXCEEDANCES 540cfu/100mL ≤	10%	5%	10%	20%	20%
		% EXCEEDANCES 260cfu/100mL ≤	30%	20%	30%	30%	30%
		MEDIAN CONCENTRATION (<i>E. coli</i> /100mL) ≤	130	130	130	130	130
		95 TH PERCENTILE CONCENTRATION (<i>E. coli</i> /100mL) ≤	1000	540	1000	1200	1200
		OBJECTIVES TO BE MET BY	2040	2040	2040	2040	2040

Table 15. Numeric freshwater objectives for river freshwater management units: Ammonia (toxicity), Nitrate (toxicity), dissolved zinc and dissolved copper

Freshwater WMU group		Taupō	Rangituhi	Pouewe	Takapū	Te Riu o Porirua	
Ammonia (toxicity)	CURRENT STATE	A	A	A	A	C	
	FRESHWATER OBJECTIVE	OBJECTIVE STATE	A	A	A	A	A/C ³⁶
		MEDIAN/95 TH / MAXIMUM CONCENTRATION (mg/L) ≤	0.03	0.03	0.03	0.03	0.03
		95 TH PERCENTILE CONCENTRATION (mg/L) ≤	0.05	0.05	0.05	0.05	2.2
		OBJECTIVES TO BE MET BY	M	M	M	M	M
Nitrate (toxicity)	CURRENT STATE	A	A	A	A	B	
	FRESHWATER OBJECTIVE	OBJECTIVE STATE	A	A	A	A	A
		MEDIAN/95 TH / MAXIMUM CONCENTRATION (mg/L) ≤	1	1	1	1	1
		95 TH PERCENTILE CONCENTRATION (mg/L) ≤	1.5	1.5	1.5	1.5	1.5
		OBJECTIVES TO BE MET BY	M	M	M	M	2040
Dissolved Zinc	CURRENT STATE	C	D	A	A	D	
	FRESHWATER OBJECTIVE	OBJECTIVE STATE	A	A	A	A	C
		MEDIAN CONCENTRATION (mg DZn/L) ≤	0.0024	0.0024	0.0024	0.0024	0.031
		95 TH PERCENTILE CONCENTRATION (mg DZn/L) ≤	0.008	0.008	0.008	0.008	0.042
		OBJECTIVES TO BE MET BY	2040	2040	M	M	2040
Dissolved Copper	CURRENT STATE	D	D	A	A	D	
	FRESHWATER OBJECTIVE	OBJECTIVE STATE	B	A	A	A	C
		MEDIAN CONCENTRATION (mg DCu/L) ≤	0.0014	0.001	0.001	0.001	0.0025
		95 TH PERCENTILE CONCENTRATION (mg DCu/L) ≤	0.0018	0.0014	0.0014	0.0014	0.0043
		OBJECTIVES TO BE MET BY	2040	2040	M	M	2040

M – Maintain the current state

36 The attribute state for median ammonia is estimated to be A attribute state and the maximum is estimated to be C attribute state. The objective is to maintain the median in A attribute state and the maximum in C attribute state

Table 16. Numeric freshwater objectives for river freshwater management units: periphyton and macroinvertebrate community index

WMU group		Taupō	Rangitūhi	Pouewe	Takapū	Te Riu o Porirua	
Periphyton	CURRENT STATE	C	A	C	C	C/B ³⁷	
	FRESHWATER OBJECTIVE	OBJECTIVE STATE	B	A	B	B	B
		NO MORE THAN 8% OF SAMPLES WITH mg chl-a/m ² ≤	120 ³⁹	50	120	120	120
		OBJECTIVES TO BE MET BY	2040	M	2040	2040	2040
Macroinvertebrate community index	CURRENT STATE	C	C	C/B ⁴⁰	C/B ⁴¹	C	
	FRESHWATER OBJECTIVE	OBJECTIVE	B	A	A	B	C
		MCI ≥ RIVER CLASS 2 ⁴²	105	130	130	105	80
		MCI ≥ RIVER CLASS 6	100	120	120	100	80
OBJECTIVES TO BE MET BY	2040	2040	2040	2040	M		

M – Maintain the current state

39 The Taupō WMU is predominantly in the 'Productive Class' defined by the NPS-PM periphyton attribute. The objective is no more than 17% of samples with mg chl-a/m² ≤ 120

40 Expert estimate of current state for MCI in the Pouewe WMU is between B and C attribute state

41 Expert estimate of current state for MCI in the Takapū WMU is between B and C attribute state

42 River classes are shown on Maps 21a to 21e of the PNRP

Table 17. Numeric coastal water objectives: Enterococci, total zinc, total copper and macroalgae

Coast WMU group		Onepoto Arm		Pauatahanui Inlet		Coastal	
		Intertidal	Subtidal	Intertidal	Subtidal		
Enterococci	CURRENT STATE		D		D		B
	COASTAL OBJECTIVE	OBJECTIVE STATE	C		B		B
		EXCEEDANCES 500cfu/ 100mL ≤	20%		10%		10%
		95 TH PERCENTILE CONCENTRATION (ENTEROCOCCI/ 100mL) ≤	500		200		200
		OBJECTIVES TO BE MET BY	2040		2040		M
Total Zinc in sediment	CURRENT STATE		B	C	A	B	
	COASTAL OBJECTIVE	OBJECTIVE STATE	B	C	A	B	
		TOTAL ZINC IN SEDIMENT (mg Zn/Kg) ≤	100	200	40	100	
		OBJECTIVES TO BE MET BY	M	M	M	M	
Total Copper in sediment	CURRENT STATE		A	B	A	A	
	COASTAL OBJECTIVE	OBJECTIVE	A	B	A	A	
		TOTAL COPPER IN SEDIMENT (mg Cu/Kg) ≤	13	32	13	13	
		OBJECTIVES TO BE MET BY	M	M	M	M	
Macroalgae	CURRENT STATE		B	N/A	B	N/A	
	COASTAL OBJECTIVE	OBJECTIVE	B	N/A	B	N/A	
		EQR ≥	0.6	N/A	0.6	N/A	
		OBJECTIVES TO BE MET BY	M	N/A	M	N/A	

M – Maintain the current state



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GW/CUE-G-19/20

Te Awarua-o-Porirua Whaitua Implementation Programme:

NGĀTI TOA RANGATIRA STATEMENT





PEPEHA

**KO WHITIREIA TE MAUNGA
KO PARIRUA TE AWA
KO RAUKAWAKAWA TE MOANA
KO NGĀTI TOA TE IWI**

**WHITIREIA IS THE MOUNTAIN
PORIRUA IS THE RIVER
RAUKAWAKAWA (COOK STRAIT) IS THE SEA
NGĀTI TOA IS THE TRIBE.**







OUR VISION FOR TE AWARUA-O-PORIRUA

Our vision is that the mauri (life force) of Te Awarua-o-Porirua is restored and its waters are healthy, so that all those who live in the region, including Ngāti Toa and our manuhiri (visitors), can enjoy, live and play in our environment and future generations are sustained, physically and culturally. In realising this vision, it is Ngāti Toa's expectation that initiatives to restore our waterways are based on a partnership model that honours Te Tiriti o Waitangi, the Ngāti Toa Claims Settlement Act 2014, our current partnerships with responsible councils, and a recognition of our relationship with our environment.

Te Awarua-o-Porirua is integral to the identity of Ngāti Toa. The harbour has played a fundamental role over the generations in sustaining the physical and cultural needs of our people. As kaitiaki, we have a reciprocal obligation to nurture and protect our environment, and to ensure that it can sustain our future generations.

Through our relationship with Te Awarua-o-Porirua Whaitua, Ngāti Toa will continue to exercise its kaitiakitanga and therefore play an important role in the ongoing protection of the harbour and its waterways. We will also continue to exercise our kaitiakitanga through our relationships with our community and with Greater Wellington Regional Council, Porirua City Council, Wellington City Council and Wellington Water. An integrated and coordinated approach to the implementation of the Whaitua Implementation Programme will be important to the success of achieving our vision for Te Awarua-o-Porirua, along with that of the community.

We will measure our success in achieving this vision through our people. When our people are physically and spiritually well and culturally thriving, we will know that the mauri of Te Awarua-o-Porirua has been restored. Ngāti Toa will hold to account all those who make decisions that affect the kaitiaki relationship that Ngāti Toa have with Te Awarua-o-Porirua. It is a responsibility that the people of Ngāti Toa accept and we will work with our partner organisations to ensure that we are progressing towards success.



OUR ENGAGEMENT WITH THE WHAITUA IMPLEMENTATION PROGRAMME

In 2014 Ngāti Toa agreed to participate in Greater Wellington Regional Council's work to implement the requirements of the National Policy Statement for Freshwater Management. We saw this as an opportunity to work together with agencies to ensure that our voice was heard, develop shared values and re-set expectations on national policy settings.

In 2018, Ngāti Toa decided to withdraw its appointed representative from the Whaitua Committee. This was to allow Ngāti Toa the opportunity to carefully evaluate and articulate its views in relation to its aspirations for Porirua's waterways and harbour. In particular, Ngāti Toa was uncomfortable with the consensus-based approach to the Committee's deliberations, which compromised Ngāti Toa in terms of its values and its role as kaitiaki.

From Ngāti Toa's perspective, there is no compromise: we wish for our people to be able to harvest food from, swim in and enjoy the waters of Te Awarua-o-Porirua, and we wish for the fish, birds, insects and plants of this ancient ecosystem to thrive once again. These aspirations are grounded in our responsibility as mana whenua of this region.

Attachment 2 to Report 19.121





OUR RELATIONSHIP WITH TE AWARUA-O-PORIRUA WHAITUA

The streams and tributaries flowing into the harbour are greatly valued by Ngāti Toa as mahinga kai (places to gather food), but also because they are a source of renewal and replenishment for Te Awarua-o-Porirua. Historically, the natural flows and processes of the harbour were a defining feature of tribal life, and the abundance of natural life supported by the harbour provided a wealth of kaimoana (seafood, shellfish), providing the people of Ngāti Toa with an important source of food. The streams that feed into the harbour also provided a plentiful supply of freshwater fish and tuna (eels). The streams were surrounded by forest, which provided foods such as birds, berries and rongoā (medicines). In addition to providing sustenance for Ngāti Toa and their manuhiri, kaimoana gathered from the harbour and harakeke (flax) from the Taupō wetland were important commodities for trade and gifts.

According to iwi tradition, Awarua-o-Porirua was valued because it was the richest harbour for kaimoana and other resources south of Kawhia. Shellfish such as pipi, pūpū (winkle or cat's eye), paua, mussels and oysters, kina (sea urchin), and a range of fish sustained the people of Ngāti Toa. Because of the life-sustaining abundance and variety provided by Te Awarua-o-Porirua and its tributaries, as well as

the surrounding coast and ocean, a large number of Ngāti Toa settlements were located in and around the harbour.

Taupō Pā, at Plimmerton, near the entrance of the harbour, was the principle residence of Ngāti Toa chief Te Rauparaha. Paremata Pā, constructed in the 1830s, was the residence of Nohorua, Te Rauparaha's older brother. Nohorua also had a pā at Hongōeka. Te Rangihæata had pā at both Motukaraka and Pauatahanui (Matai-taua Pā).

Forming the southern side of the entrance to Porirua Harbour is Whitireia Peninsula. This is another area of importance to Ngāti Toa, containing numerous wāhi tapu (sacred sites) and historical sites, including burial places, kainga, pā, middens, pits, terraces (for gardens) and tauranga waka (places of anchorage). Areas of settlement on the peninsula include Te Kahikatoa, Te Neke, Te Onepoto, Kaiaua, Onehunga and Kaitawa.

Takapuwahia Pā, located on the southern shores of the Onepoto Arm, became an important kainga of Ngāti Toa following the capture and detention of Te Rauparaha by the Crown. Hongōeka, a coastal settlement north of the harbour entrance, is also a significant kainga of Ngāti Toa. Takapuwahia and Hongōeka are the only remaining traditional

settlements of Ngāti Toa within the Porirua region and continue to be sites of significance.

In the twentieth century, the Takapuwahia community faced many challenges including Crown pressure to take their land for housing of the general population and the provision of utilities such as roading, water and sewerage to the pā. In the 1940s the Crown began to develop state housing at Takapuwahia, part of a major programme of public housing construction throughout the Tawa Flat - Porirua - Titahi Bay areas. The Crown sought to 'pepper-pot' members of the tribe among the rest of the community in an effort to 'assimilate' them, and also had a policy of not approving housing loans to iwi members, which would force them to move out of Porirua.

Despite the development of housing around Takapuwahia, by the end of the 1950s the provision of infrastructure to the Takapuwahia settlement itself was still poor: the roads were only partially formed, there was no mains sewerage, and the water supply was inadequate, with only two or three houses connected (Deed of Settlement between Ngati Toa Rangitara and the Crown, 2012).



▲ Taupō pā, Plimmerton

URL: <https://nzhistory.govt.nz/media/photo/taupo-pa-plimmerton>, (Ministry for Culture and Heritage), updated 25-Jun-2014



Until the 1930s and 1940s, the people of Ngāti Toa were still substantially dependent on the marine resources taken from the area. Ngāti Toa had demarcated pipi beds from which it collected pipi, and took pūpū and fish from the harbour, not only for day-to-day needs but also for social gatherings and events, when considerable additional quantities were gathered.

In 1940 complaints were raised that pollution from a number of sources was entering and affecting the Porirua arm of the harbour. Residents of the area, including Ngāti Toa, were alarmed to see raw sewage cast up on the foreshore and at times discolouration of the harbour itself. In May 1940 the Medical Officer of Health for the Wellington area reported on pollution of the harbour. The report concluded that although 40,000 to 60,000 gallons (approximately 150,000 to 227,000 litres) of untreated sewerage entered the harbour per day, mainly from the Porirua Mental Hospital, the location of the discharge point and the effects of tides meant that the continuous flow of sewage appeared 'to be causing no nuisance and inconveniences no one'. The report found no evidence for the

claims that the pollution was having an impact on the shellfish in the harbour (Deed of Settlement between Ngati Toa Rangitara and the Crown, 2012, p.41).

By 1960, the Onepoto arm of the harbour had been significantly affected by the impacts of water pollution, reclamation and various public works. In 1960, Ngāti Toa asked the Crown to set up a 'competent tribunal' to deal with Ngāti Toa interests in the Porirua harbour. This request was declined. Ngāti Toa also submitted a petition to Parliament claiming compensation for damage done to the harbour bed by pollution and reclamation. In evidence given to the Maori Affairs Select Committee, members of Ngāti Toa told of the depletion of kaimoana and destruction of breeding grounds and beds. They also informed the Committee that over several years local doctors and health department officials had warned Ngāti Toa residents not to consume fish or shellfish from the harbour or swim in the waters. The loss of this once abundant resource was a devastating blow to Ngāti Toa, which had always relied on the sea and waterways for sustenance. The Maori Affairs Committee, however, had no recommendation to make on the petition (Deed of Settlement between Ngati Toa Rangitara and the Crown, 2012).

Throughout much of the twentieth century the Crown has not included Ngāti Toa in any meaningful role in the management of the Porirua harbour or its resources. With little power to influence or intervene, Ngāti Toa has witnessed the degradation and destruction of the harbour. The discharge of human waste into waterways, the estuary and sea has caused great distress to Ngāti Toa for cultural, environmental and public health reasons, as has the discharge of industrial effluent into waterways. This has had an ongoing impact on our ability to harvest traditional sources of food and other resources, and the knowledge and practices associated with the harvesting, utilisation and protection of those resources. In addition to not being able to provide for its own people, Ngāti Toa has a diminished ability to provide manaakitanga (hospitality) to its manuhiri.



THE ISSUES WE FACE TODAY

The lands, harbours and waterways of Te Awarua-o-Porirua were adversely impacted by settlement and urban development. However, it is the Porirua and Pauatahanui harbours which are of utmost concern to Ngāti Toa, because they are both of great cultural and historical significance to the tribe, as well as being precious resources that once supported rich flora and fauna.

As a result of a lack of engagement with the iwi, poor public policy and inadequate investment in local infrastructure, Te Awarua-o-Porirua and its catchment – including all associated ecosystems have been negatively impacted. This has detrimentally affected the way the people of Ngāti Toa have lived, learned and developed in the Porirua rohe.

Ngāti Toa has consistently sought to maintain its customary rights with regard to the harbour and its resources. Over the years, the effects of intensified land use, contamination and siltation have resulted in poor water quality and an inability to harvest food. The inability to harvest kaimoana from the harbour – once considered the food basket of Ngāti Toa – has had a detrimental impact on the tribe's ability to fulfil its cultural functions, to live by its cultural values and to meet the physical needs of its people. We mourn the loss of our mahinga kai and live through the memories of our kaumatua (elders), hoping that one day we will be able to feast from the waters of Te Awarua-o-Porirua and share our knowledge and practices of cultural harvest with our people once again.

Attachment 2 to Report 19.121



The state of the infrastructure network:

Ngāti Toa is concerned about the capacity of the current infrastructure network (wastewater and stormwater) to keep up with anticipated population growth in the catchment, and the level of contamination in our waterways, which poses an increasing risk to ecosystem and human health. The wastewater treatment network is at capacity and overflows in places during heavy or prolonged rain, contaminating waterways and the harbour. Contamination is exacerbated by old leaking pipes as well as incorrectly connected pipes throughout the Porirua network. This impacts on the mauri of the waterways, and the harbour itself, as the receiving environment.

The aging sewage and stormwater network, coupled with intensified development in the Porirua area, is also affecting our traditional sites of residence. Takapuwahia and Hongoeka are now under threat from flooding and overflows of wastewater and stormwater during severe weather events, which affects our homes, marae and māra (gardens). Further degradation of our homes and marae will have a catastrophic impact on Ngāti Toa.

Contaminants in our waterways are at unsafe levels:

Our water network (stormwater, wastewater, freshwater streams) has unacceptably high levels of contaminants, impacting negatively on the health and safety of our people and our ability to practice our traditional customary practices. These contaminants have impacted the mauri of the waterways of Te Awarua-o-Porirua.

We are particularly concerned about the following contaminants:

- E.coli from wastewater discharges due to the wastewater treatment plant reaching capacity
- copper and zinc, primarily from car tyres and brake pads and poorly maintained roofs
- nitrogen, mainly from stock effluent and agricultural fertilisers
- sedimentation from land erosion and earthworks.

Roles and responsibilities are uncertain across the Whaitua:

There is a lack of shared vision, collaboration, accountability and co-delivery of operational policy between the responsible agencies (Greater Wellington, Porirua City Council, Wellington City Council and Wellington Water).

Inadequate cultural, environmental and freshwater education of our Porirua citizens:

Citizens remain poorly informed about Ngāti Toa's association with Te Awarua-o-Porirua and its cultural importance, the overall state of our waterways and the health and safety issues we face as citizens who have the right to enjoy, live and play in our rohe. We need to better educate people about the issues, and work with our community on solutions.

The transport network impacts negatively on our freshwater system:

Population growth has and will continue to see an increase in cars, trucks and buses on our roading system. This is resulting in high levels of copper and zinc contaminating our streams and harbour.

Freshwater policy and regulatory settings appear to be ineffectual:

Responsible agencies (Greater Wellington Regional Council, Porirua District Council and Wellington City Council) lack a systematic approach to policy and regulatory responsibilities, leading to inconsistencies, poor decisions or no action being taken against non-compliance.

Iwi freshwater interests and rights:

As mana whenua, Ngāti Toa has rights and interests to freshwater within our rohe. Our rights and interests have not been relinquished nor have they been appropriately recognised through any policy or legislative process.

It is unclear how the allocation of freshwater rights (consents for discharges and water takes) is carried out across the Whaitua. This has implications for potential trading of freshwater, which Ngāti Toa have an interest in. There is a lack of metering and no trading registry, impacting on the ability to monitor as well as manage

Unclear rationale for monitoring:

Monitoring of Te Awarua-o-Porirua and its waterways provides an important evidence base for understanding water quality and ecological health, and therefore, what needs to be prioritised for change. A more coherent rationale and process for what is monitored and why is a matter of priority.

Attachment 2 to Report 19.121





HE TAUĀKĪ

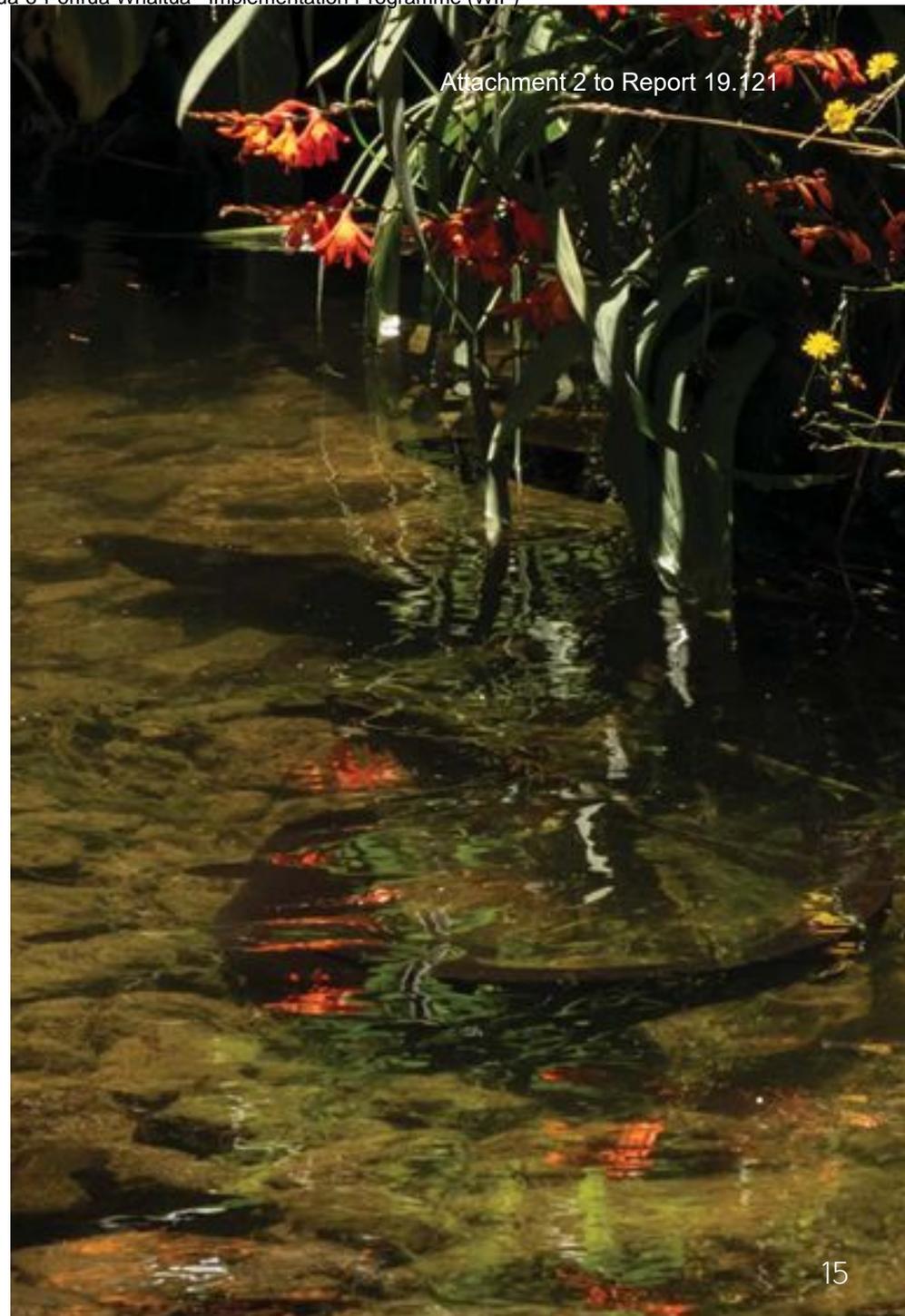
As kaitiaki of Te Awarua-o-Porirua and the broader whaitua, the following are a series of statements and recommendations that capture our current reality and aspirations for the future:

- Ngāti Toa acknowledges the important work of Te Awarua-o-Porirua Whaitua Committee and agree in principal to the values, findings, analysis encompassed by its work and the general direction of change.
- Ngāti Toa believes that agencies must work proactively to fulfil their Tiriti obligations to Ngāti Toa, and we expect to see opportunities for the co-design of policy and processes as well as co-management of key assets.
- The mana and mauri of all of our waterways and associated ecosystems within the Ngāti Toa Porirua rohe must be returned to a state of health, enabling our iwi to carry out its cultural responsibilities and obligations to its people, manuhiri and future generations.
- Ngāti Toa must be able to exercise its customary practices, including the harvesting of food and water, without fear of harm.
- Greater Wellington Regional Council must support the application of matauranga Māori methods and knowledge to monitoring undertaken by the Council to measure the health of the waters of Te Awarua-o-Porirua.
- Ngāti Toa's freshwater rights must be recognised by Greater Wellington Regional Council when considering the allocation of fresh water.
- Greater Wellington Regional Council, Porirua City Council, Wellington City Council and Wellington Water, alongside Ngāti Toa and the community, should collectively establish a Mai Uta Ki Tai (mountains to sea) Work Programme for implementation. The Mai Uta Ki Tai Work Programme could include
 - an 'Eco-System Enhancement Action Plan' that identifies priority actions for change and an ongoing monitoring and reporting schedule
 - a five-year 'E.coli Action Plan' to address the contamination issues with targets and ongoing monitoring regime
 - a twenty-year 'Water Network Action Plan' to identify and prioritise actions to address waste water, stormwater and freshwater issues across the rohe, including the issue of wrongly connected pipes
 - amendments to the Natural Resources Plan should be made to enable more use of control levers for urban development to better manage the impacts on water quality, including of stormwater discharges and the use of building materials containing high levels of zinc and copper

- a programme to re-connect people with their water bodies. This programme should include education about pollution prevention and community programmes.

The work programme **must include** background on Ngāti Toa's historical association with Te Awarua-o-Porirua and the wider catchment and a framework for understanding ecological health and wellbeing from a Te Ao Māori perspective.

- Ngāti Toa would like to see the implementation of innovative practices for stormwater and wastewater management. We also expect urgent measures to be taken to prevent flooding and stormwater/wastewater overflows affecting our kāinga at Takapuwahia and Hongōeka.
- We support and encourage alternative forms of transport in and around our waterways to minimise degradation. We encourage whānau to walk and cycle and to enjoy recreational activities with limited environmental impacts, such as fishing and waka ama.
- More collaboration across the councils, Wellington Water, and central government agencies such as New Zealand Transport Agency and Housing New Zealand is necessary and will provide better coherency across Mai Uta Ki Tai projects, enabling Ngāti Toa to better prioritise projects and capabilities from across the iwi to contribute to this important work.





For more information about the findings and recommendations of Te Awarua-o-Porirua Whaitua Committee, see *Te Awarua-o-Porirua Whaitua Implementation Programme*, available from the Greater Wellington website www.gw.govt.nz



Report 19.118
Date 10 April 2019
File LEGL-5-470

Committee Council
Author Deborah Kessell-Haak, Senior Legal Advisor

Wellington Water Proposed Governance Changes

1. Purpose

To seek the Council’s endorsement of the proposed amendments to the governance documentation for Wellington Water Limited (“WWL” or “Company”).

2. Background

WWL is a council controlled organisation in the form of a company with (currently) five shareholder councils, being Wellington, Hutt, Upper Hutt and Porirua City councils and Greater Wellington Regional Council. The board of WWL (the “**Board**”) is made up of independent directors. Councils influence the governance of WWL through the Wellington Water Committee.

At the meeting of 26 February 2019, the Council considered Report 19.48 on proposed amendments to the Company’s Shareholders’ Agreement, Constitution and Terms of Reference (collectively referred to as the “**Governance Documents**”).

Report 19.48 was left to lie while the amendments to the Governance Documents were reviewed by external legal counsel prior to Council adopting the same.

The proposed changes to the Governance Documents of the Company were then independently reviewed by senior counsel at Simpson Grierson with commercial and local government expertise. A letter from Simpson Grierson confirming that the proposed changes to the Governance Documents were appropriate was reviewed by the Finance, Risk and Assurance Committee at its meeting of 21 March 2019. Committee members raised concerns regarding the wording of the letter of advice from Simpson Grierson as it appeared to confirm a requirement that all members of the Board hold the required Te Ao Māori knowledge and skills whereas the actual aim of the amendments is to ensure that the requisite skills were part of the Board skills matrix.

This issue has now been addressed, with Simpson Grierson reviewing its original letter of advice and confirming that it is appropriate for it to reissue the letter to dispel the possible confusion detailed above.

3. Comment

The proposed amendments to the Shareholder's Agreement, Constitution and Terms of Reference are attached to this Report at [Attachment 2](#), [Attachment 3](#) and [Attachment 4](#) respectively.

The proposed amendments to the Governance Documents have two key purposes:

- a. the ability of other interested local authorities to become shareholders in the Company; and
- b. the desire for partnership with mana whenua and inclusion in decision making processes by making Mana Whenua Partners members of the Wellington Water Committee and ensuring that Te Ao Māori knowledge and skills are part of the Board skills matrix.

(together referred to as the "**Amendment Aims**").

As noted above, the proposed changes to the Governance Documents of the Company were independently reviewed by senior counsel at Simpson Grierson. The aim of the review was to confirm that the proposed changes gave proper effect to the Amendment Aims and that the process followed to make and correctly adopt the amendments to the Governance Documents comply with the Council's statutory and other obligations. The review did not consider the merit of the proposed policy underlying the amendments.

Simpson Grierson has confirmed that the proposed amendments to the Governance Documents are in order for adoption by Council as set out in the letter from Simpson Grierson attached to this report at [Attachment 1](#).

The changes to each document must be adopted by each shareholding council before they become effective.

4. Communication

No external communication is proposed as an outcome of the consideration of this report.

5. Consideration of climate change

The matter requiring decision in this report has been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

5.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matter on the climate. As the matter concerns governance only, officers recommend that the matter be considered to have no effect on the climate.

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) or the Permanent Forest Sink Initiative (PFSI).

5.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matter. As the matter concerns governance only, Officers recommend that climate change has no bearing on the matter.

6. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

6.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance because:

- The decision to enable other shareholders to join WWL does not have an impact of itself; specific consideration may need to be given when there is any separate, subsequent decision required relating to a particular proposal to include another shareholder;
- The decision to include mana whenua entities as members of the Committee aligns with the Council's approach to involvement of mana whenua.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

6.2 Engagement

Engagement on the matters contained in this report aligns with the level of significance assessed. In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

7. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Notes the content of the letter from Simpson Grierson dated 26 March 2019, attached as Attachment 1 to the report.*
4. *Adopts the changes to the Shareholders' Agreement, attached as Attachment 2 to the report.*
5. *Adopts the changes to the Constitution, attached as Attachment 3 to the report.*
6. *Adopts the changes to the Terms of Reference of the Wellington Water Committee, attached as Attachment 4 to the report.*
7. *Delegates to the Chief Executive, the power to finalise the Shareholders' Agreement and Constitution and make minor amendments to make them consistent with what is approved by other shareholders, subject to Councillors being advised of any amendments by email and noting that changes that alter the meaning or intent of the documents will require Council approval.*

Report prepared by:

Report approved by:

Deborah Kessell-Haak
Senior Legal Advisor

Samantha Gain
General Manager, Corporate Services

Attachment 1: Letter from Simpson Grierson

Attachment 2: Draft amended Shareholders' Agreement

Attachment 3: Draft amended constitution for Wellington Water Limited

Attachment 4: Draft amended terms of reference for the Wellington Water Committee



26 March 2019

Partner Reference
Cath Shirley-Brown

Samantha Gain
Greater Wellington Regional Council
PO Box 11646
Manners Street
WELLINGTON 6142

Writer's Details
Direct Dial: +64-4-924 3451
Email: cath.shirley-brown@simpsongrierson.com

Sent by Email

Dear Samantha

Review of changes to governance documents for Wellington Water Limited

Introduction

1. Thank you for your letter dated 5 March 2019. Defined terms in that document have the same meaning in this letter.
2. We refer to the two key areas of required change to the ToR, SHA and Constitution (**Governance Documents**), being:
 - (a) an ability to allow other local authorities to become shareholders of the Company; and
 - (b) the desire for partnership with mana whenua and inclusion in decision making process by making Mana Whenua Partners members of the Committee and ensuring that possession of the requisite Te Ao Maori knowledge and skills is included as part of the Board Skills Matrix.

(together, the **Amendment Aims**).

Confirmation

3. We confirm that the proposed amendments to the SHA, Constitution and ToR (the **Amendments**) are in order for adoption by the Council, and (specifically):
 - (a) the Amendments are fit for purpose given the Amendment Aims (as described in the Introduction and the Order Paper) as well as GWRC's role as a responsible and proactive manager of water and water assets in the region; and
 - (b) the process followed to make and correctly adopt the Amendments comply with GWRC's statutory and other obligations.

Qualifications

4. We provide the confirmations set out in this letter in our capacity as a legal adviser to GWRC, and accordingly our review has focused on lawfulness and drafting rather than policy and merit-based aspects of the documents and arrangements.

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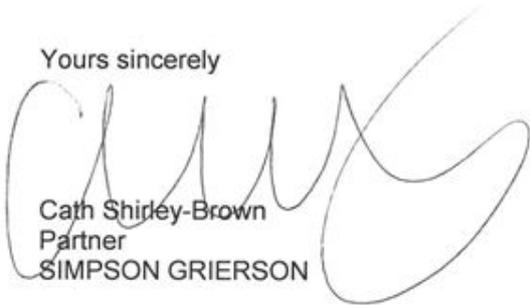
WELLINGTON: HSBC Tower, 195 Lambton Quay, PO Box 2402, Wellington 6140, New Zealand. T +64 4 499 4599

CHRISTCHURCH: Level 1, 151 Cambridge Terrace, West End, PO Box 874, Christchurch 8140, New Zealand. T +64 3 365 9914

www.simpsongrierson.com

5. As noted above, our review has focussed on whether the Amendments achieve the Amendment Aims. We have not considered the impact of the Amendment Aims on GWRC, given that these have already been considered and agreed.
6. In terms of our confirmation in paragraph 3(b), in providing this confirmation we have reviewed the documents against the requirements of clauses 30A, 31 and 32 of Schedule 7 to the Local Government Act 2002, being the key parameters around joint committees, committee membership and delegations. We understand the Council has separately satisfied itself about compliance with other aspects of the Act including the decision making requirements in Part 6.

Yours sincerely



Cath Shirley-Brown
Partner
SIMPSON GRIERSON

Draft 7 December 2018

Chartered Accountants House
50-64 Customhouse Quay
PO Box 2791
Wellington 614
New Zealand
DX SP20002 WGTN
Tel +64 4 472 6289
Fax +64 4 472 6288
www.dla-phi.com

Shareholders' Agreement relating to Wellington Water Limited

Wellington City Council
Hutt City Council
Upper Hutt City Council
Porirua City Council
Wellington Regional Council

Final Draft: 27 August 2014

Note that change of name from Capacity Infrastructure Services Limited to be considered at Wellington Water Committee meeting on 11 September
And any other Shareholder acceding to this Shareholders' Agreement

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Table of contents

Te Taki o Wellington Water	1
Parties	2
Background.....	2
Operative provisions.....	3
1 Shareholder and other obligations.....	3
Shareholder and customer	3
Duty to comply with Constitution	3
Shareholding.....	3
2 Treaty of Waitangi / Te Tiriti o Waitangi	4
3 Wellington Water Committee.....	5
Establishment and Terms of Reference	5
Attendance of Committee Members at meetings.....	6
4 Shareholder decisions	6
5 Composition of the Board	6
The Board	6
6 Statement of Intent	6
7 Shareholder amalgamation	7
8 Conduct by the parties.....	8
Spirit of collaborative working.....	8
9 Dispute resolution	8
Application of procedures	8
Notice in writing	8
Escalation	8
Negotiation in good faith.....	8
Mediation	9
Implementation of agreement reached through negotiation or mediation	9
Rights and obligations during a dispute	9
Interlocutory relief and right to terminate.....	9
10 Termination	9
Duration	9
Termination for default.....	10
Termination by notice	10
Right of first refusal.....	10
Effect of termination.....	10
11 Confidential Information	10
Confidentiality	10
Further permitted use and disclosure.....	11
Obligations to continue after agreement ends	11
12 Announcements.....	11

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13	Notices	11
	Giving notices	11
	Change of details	12
	Time notice is given	12
14	Miscellaneous	13
	Assignments and transfers	13
	Costs	13
	Entire agreement	13
	Execution of separate documents	13
	Further acts	13
	Inconsistency with Constitution	13
	No partnership or agency	13
	Privity	14
	No reliance on other matters	14
	Severability	14
	Variation	14
	Waivers	14
15	Definitions and interpretation	14
	Definitions	14
	Interpretation	17
	Execution and date	18
	Schedule 1	17
	Board Skills Matrix	17
	Schedule 2	22
	Matters requiring approval or reflection in Statement of Intent	22
	Schedule 3	23
	Form of Wellington Water Committee Terms of Reference	23

Shareholders' Agreement ←

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[Te Taki o Wellington Water](#)

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[He wai herenga tāngata](#)

[He wai herenga whenua](#)

[He wairua](#)

[He waiora](#)

[Tihei Mauri ora](#)

[Tis water, tis water](#)

[Water that joins us](#)

[Water that necessitates the land](#)

[Soul of life](#)

[Life forever](#)

[Tis life](#)

Shareholders' Agreement

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Parties

Wellington City Council (WCC)

Hutt City Council (HCC)

Upper Hutt City Council (UHCC)

Porirua City Council (PCC)

Wellington Regional Council (GWRC/WRC)

Any other Shareholder(s) acceding to this document in accordance with clause 1.6 below

Any Mana Whenua Partner Entity(ies) acceding to this document in accordance with clause 2.3 below (MWPE)

Background

A. The parties are shareholders in [Wellington Water] Limited (~~Company~~) Wellington Water Limited (**Company**) manages drinking water, wastewater and storm water services for its local authority shareholders, working in partnership with mana whenua, through the MWPEs, to provide leadership across water issues.

B. The parties are:

a. shareholders in the Company; and/or

b. mana whenua partner entities.

and wish to enter into this document for the purpose of recording the agreements they have reached in relation to managing their shareholdings in the Company, mana whenua's partnership with the Shareholders in relation to governance of the Company, and their respective relationships with each other.

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C. The existing parties to this document acknowledge that additional parties may accede to this document in the manner described in clause 2.3 below, either as additional shareholders in the Company or as MWPEs.

Shareholders' Agreement

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Operative provisions

1 Shareholder and other obligations

Shareholder and customer

1.1 Each Shareholder acknowledges that all Shareholders are expected to also be customers of the Company under a Service Level Agreement.

Duty to comply with Constitution

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1.2 Each Shareholder shall comply with the Company's Constitution. Each MWPE shall, in the exercise of its role as contemplated in this document, ensure that the Company complies with the Constitution.

Council controlled organisation

1.3 The Shareholders and MWPEs acknowledge that the Company is a council controlled organisation and they accordingly:

1.3.1.1 the Shareholders will each use their best endeavours to ensure that they each comply with their, and the Company complies with its, obligations under the LGA and the Companies Act; and

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1.3.2 each of the MWPEs will, when undertaking its role as contemplated in this document, use its best endeavours to ensure that the Company complies with its obligations under the LGA and the Companies Act.

Security Interest

1.4 A Shareholder must not grant a Security Interest over any of its Shares without the written consent of the other Shareholders.

2 Shareholding Shareholders

2.1 The parties acknowledge that the Shares in the Company are structured so that each Shareholder holds Shares as set out below:

Name of Shareholder	Number of Class A Shares held	Number of Class B Shares held	Value of Class B Shares held (\$'000)
WCC	150	200	400
HGG	150	100	200
UHCC	150	40	80
PCC	150	60	120
GWRC	150	75	150

Shareholders' Agreement ←

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1.5 Each Shareholder holds the Shares as set out in the share register for the Company.

New Shareholder accession to this document

1.6 The Shareholders acknowledge that from time to time one or more local authorities or council controlled organisations may become shareholders of the Company, by being issued Shares in the Company in accordance with the Constitution. In such event, the new Shareholder will be required under the Constitution to accede to this document as a Shareholder and to do so by way of entry into a deed of accession in a form required by the Shareholders.

2 Treaty of Waitangi / Te Tiriti o Waitangi

2.1 The Shareholders acknowledge the importance of the Treaty of Waitangi / Te Tiriti o Waitangi as a founding document of Aotearoa New Zealand and are committed to the principles it contains. In giving effect to the Treaty of Waitangi / Te Tiriti o Waitangi principles, the Shareholders agree that mana whenua, through the MWPEs, will have an important role in the governance of the Company, as contemplated in this document, including by nominating members on the Wellington Water Committee and by jointly appointing the Directors of the Company.

2.2 Each MWPE:

2.2.1 is a Māori authority in the geographical area in which the Company operates;

2.2.2 has been jointly approved by all Shareholders as a MWPE for the purposes of this document (as contemplated in clause 2.3 below); and

2.2.3 has acceded to this document as a MWPE by way of entry into a deed of accession in a form required by the Shareholders.

2.3 The Shareholders acknowledge that they, any of them and/or the Company may from time to time receive request(s) from any group(s) or entity(ies) seeking recognition as a MWPE for the purposes of this document. The Shareholders agree to consider such request(s) in good faith, and may, by unanimous resolution, agree to recognise as a MWPE under this document any Māori authority within the geographical area in which the Company operates. On such resolution, the relevant Māori authority shall become a MWPE upon acceding to this document as a MWPE by way of entry into a deed of accession as required in clause 2.2.3 above.

Shareholders' Agreement

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3 Wellington Water Committee

Establishment and Terms of Reference

3.1 The Shareholders will jointly establish, maintain and operate a Wellington Water Committee in accordance with the Terms of Reference [and the provisions of this document](#), to provide overarching governance in relation to Water Services in the Wellington region and to assist the Shareholders to fulfil their obligations under this document.

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Committee Membership

3.2 The Wellington Water Committee will comprise Committee Members appointed as follows:

3.2 Each Shareholder will:

~~3.2.1~~ confirm the Terms of reference;

~~3.2.2~~ ~~3.2.1~~ appoint one of its elected members as a Committee Member; ~~and~~

~~3.2.2~~ Each MWPE will nominate, and the Shareholders will unanimously appoint one of its elected members, a person to be a Committee Member on the Wellington Water Committee; and

~~3.2.3~~ In relation to each Committee Member, whether appointed under clause 4.1 or 3.2.2, an Alternate; will be appointed in the same way as the relevant primary Committee Member.

~~Each Shareholder's appointed~~

3.3 Any Committee Member and/or Alternate may be replaced from time to time by the respectiveas follows:

3.3.1 a Committee Member who is also an elected member of a Shareholder, by the relevant Shareholder; and

3.3.2 a Committee Member who is not also an elected member of a Shareholder, by the relevant nominating MWPE,

3.3 in each case, by the relevant party providing written notice to the Wellington Water Committee and the Shareholders.

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Delegations to Committee Members

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3.4 Each ~~Shareholder~~party agrees to delegate to its nominated or appointed Committee Member, and their Alternate, those responsibilities and powers set out in the Appendix to the Terms of Reference.

Shareholders' Agreement

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Attendance of Committee Members at meetings

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3.5 Each:

3.5.1 Shareholder agrees to use its reasonable endeavours to ensure that its appointed elected member Committee Member (or their Alternate); and

3.5.2 MWPE agrees to use its reasonable endeavours to ensure that its nominated Committee Member (or their Alternate).

3.5 attends each meeting of the Wellington Water Committee.

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3.6 It shall be considered a breach of this document if a Shareholder's appointed Committee Member or their Alternate is not present at three consecutive meetings of the Wellington Water Committee.

4 Shareholder decisions

4.1 The matters contained in part 1 of Schedule 2 must be approved by unanimous agreement of the Shareholders, which may be approved through their elected members who are on the Wellington Water Committee.

5 Composition of the Board

The Board

5.1 The Shareholders agree that all Directors must be Independent Directors selected by the Wellington Water Committee in accordance with the Board Skills Matrix, subject to the maximum number of Directors permitted under the Constitution.

5.2 An appointee must not be a person disqualified from acting as a Director under the Companies Act.

5.3 Otherwise, the Directors are to be appointed in accordance with the terms of the Constitution and this document.

5.4 A performance evaluation of the Board will be undertaken by the Board on an annual basis, in line with accepted good governance principles and practices, and the results will be reported directly to the Wellington Water Committee and to the Chief Executives of the Shareholders.

6 Statement of Intent

6.1 The parties agree that the business of the Company is expected to be conducted in accordance with its Statement of Intent, which must be prepared in accordance with the LGA.

Shareholders' Agreement

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6.2 Each Shareholder retains its rights under the LGA to comment on and decide whether to approve a Statement of Intent, but will use its best endeavours to co-ordinate its feedback in accordance with the procedure set out in this clause 6:

Field Code Changed

6.3 Unless the [Shareholdersparties](#) agree an alternative date, no later than 1 December each year, the Wellington Water Committee will meet to discuss and recommend to the Shareholders details to be included in the Letter of Expectation to the Company in relation to its Statement of Intent.

6.4 The [Shareholdersparties](#) agree that the Letter of Expectation will request the Company to include in its Statement of Intent appropriate restrictions on the activities set out in part 2 of Schedule 2.

6.5 The [Shareholdersparties](#) will exercise their power to agree the Letter of Expectation via the Wellington Water Committee.

6.6 No later than 15 December in each year, or an alternative date agreed by the Shareholders, the chairperson of the Wellington Water Committee will circulate the agreed Letter of Expectation to the Chairperson of the Board, the Chief Executive of the Company and to all Shareholders.

6.7 The Shareholders will procure that the draft Statement of Intent prepared by the Company is provided to the Wellington Water Committee and will exercise its powers in relation to the draft Statement of Intent via the Wellington Water Committee.

6.8 The Wellington Water Committee will, in accordance with the Terms of Reference, consider the draft Statement of Intent and will agree feedback and recommendations in respect of the draft Statement of Intent to be provided to the Company.

6.9 Subject to clause 6.26.2, no later than 30 April in each year, the Wellington Water Committee will circulate to the Chairperson of the Board, the Chief Executive of the Company and to all Shareholders a letter outlining Wellington Water Committee's agreed combined feedback to the draft Statement of Intent.

6.10 The Wellington Water Committee will, in accordance with the Terms of Reference, consider the final Statement of Intent when it is received from the Company and agree recommendations in respect of the final Statement of Intent to be provided to the Shareholders.

6.11 Each Shareholder must formally consider the final Statement of Intent taking into account the recommendations of the Wellington Water Committee.

6.12 The parties acknowledge that under the LGA, the Shareholders may jointly, by resolution, require the Board to modify its Statement of Intent.

7 Shareholder amalgamation

7.1 In the event of an amalgamation or any other change in the regional governance structure of a Shareholder, the parties will meet and discuss the effect of the amalgamation on the shareholding structure of the Company and will exercise their

Shareholders' Agreement

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voting rights to ensure that the shareholding percentages for both classes of shares remain reasonable as agreed by all Shareholders.

8 Conduct by the Shareholdersparties

Spirit of collaborative working

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- 8.1 The Shareholdersparties must at all times act in a spirit of co-operation and collaborative working, endeavouring to act together to allow for the effective communication of Shareholder intentions or requirements to communications for and on, and governance of, the Company.
- 8.2 The Shareholdersparties shall use best endeavours to act under the principle of no surprises, both with the Company and with each other in relation to their respective interests. If any Shareholder decision under this document has a material impact on isa Shareholder's Service Level Agreement with the Company, that Shareholder must immediately notify the other Shareholdersparties of the change.

9 Dispute resolution

Application of procedures

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- 9.1 The procedures set out below must be followed in relation to the resolution of a dispute amongst the Shareholdersparties concerning either of the following:
- 9.1.1 this document, its subject matter, the rights or liabilities under this document or the negotiations leading to it; or
- 9.1.2 the conduct of the business or affairs of the Company.

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Notice in writing

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- 9.2 If a party claims that a dispute has arisen, that party must give written notice to the other parties. The written notice must specify the nature of the dispute.

Escalation

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- 9.3 The Representatives shall be responsible for dealing with any disputes in a timely manner.

Negotiation in good faith

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- 9.4 On receipt of a notice delivered in accordance with clause ~~9.2~~9.2 and before any party may refer a dispute to mediation, the Representatives must, in good faith and acting reasonably, do their best to resolve the difficulty quickly and efficiently through negotiation.
- 9.5 If any Representative considers that the dispute is not being resolved in a timely manner, such Representative may serve written notice on the other parties' Representatives to escalate the dispute to the Chief Executives (where the Representatives are not the Chief Executive) of the applicable Shareholders for resolution.

Shareholders' Agreement

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9.6 If the issue has not been resolved within 30 days (or within such other period as agreed by the parties) of the date of the notice referred to in clause 9.4, any party may submit the dispute to mediation.

Mediation

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9.7 If the parties do not resolve the difficulty by negotiation, the parties must, in good faith and acting reasonably, do their best to resolve the difficulty by participating in mediation with an independent mediator.

9.8 If the parties do not agree on a mediator, then the mediator will be appointed by the President of the New Zealand Law Society.

9.9 The parties must mediate the difficulty in accordance with principles agreed between them or, if no agreement can be reached, the principles determined by the mediator.

9.10 Unless the parties agree otherwise, the mediator's fee and any other costs of the mediation itself (such as for venue hire or refreshments) will be shared equally between the parties, but the parties will each pay their own costs of preparing for and participating in the mediation (such as for travel and legal representation).

Implementation of agreement reached through negotiation or mediation

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9.11 The parties must do whatever is reasonably necessary to put into effect any negotiated or mediated agreement or other resolution. This includes exercising voting rights and other powers as required.

Rights and obligations during a dispute

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9.12 During a dispute, each party must continue to perform its obligations under this document.

Interlocutory relief and right to terminate

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9.13 This clause does not restrict or limit the right of a party to obtain interlocutory relief, or to immediately terminate this document where this document provides such a right.

10 Termination

Duration

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10.1 This document commences on its execution date in accordance with its terms and continues until ~~one Shareholder holds all of the Shares or none of the Shareholders hold Shares or until terminated earlier in accordance with clause 10.2;~~

10.1.1 one Shareholder holds all of the Shares or none of the Shareholders hold Shares, and there are no then current MWPEs; or

10.1.2 terminated earlier in accordance with clause 10.2.

Shareholders' Agreement

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Termination for default

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10.2 This document will terminate if an Insolvency Event occurs in relation to the Company.

~~10.3~~ Any Shareholder may terminate this document with respect to another Shareholder if that other Shareholder is in breach of any obligation under this agreement that continues for more than 60 days after the Shareholder receives written notice of it.

Termination by notice

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~~10.4~~10.3 Any Shareholder may withdraw from being a Shareholder and a party to this document if the Service Level Agreement in respect of such Shareholder is terminated.

~~10.5~~10.4 Any Shareholder may withdraw from being a Shareholder and a party to this document by giving 36 months' prior written notice to the Company and to all other Shareholders.

Right of first refusal

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~~10.6~~10.5 If a Shareholder ceases to be a Shareholder in the Company for any reason, the Shareholder must offer its Shares to the remaining Shareholders pro rata to their respective shareholdings.

~~10.7~~10.6 No Shareholder is entitled to terminate this document except as expressly permitted in this document.

Effect of termination

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~~10.8~~10.7 Any termination of this document with respect to a Shareholder or a MWPE does not affect any accrued rights that Shareholder or that MWPE may have against the other parties to this document or which the other parties to this document may have against it.

~~10.9~~10.8 Clause ~~11~~ continues to apply to the parties despite any termination of this document.

11 Confidential Information

Confidentiality

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11.1 Each party must keep and must ensure that its nominated and/or appointed Committee Member and Representative shall keep confidential the terms of this document, the contents of all negotiations leading to its preparation and any other information relating to the Company or to another Shareholder that it obtains as a result of this document or anything done under it (**Confidential Information**), and must not disclose or permit the disclosure of such Confidential Information to any other person. If a party becomes aware of a breach of this obligation, that party will immediately notify the other parties.

Shareholders' Agreement

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Further permitted use and disclosure

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11.2 This document does not prohibit the disclosure of Confidential Information by a party in the following circumstances:

11.2.1 The other parties have consented to the disclosure of the relevant Confidential Information.

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11.2.2 The disclosure is specifically contemplated and permitted by this document.

11.2.3 The disclosure of Confidential Information is to an employee, subcontractor, agent or representative who needs it for the purposes of this document.

11.2.4 The disclosure is to a professional adviser in order for it to provide advice in relation to matters arising under or in connection with this document.

11.2.5 The disclosure is required by a court or governmental or administrative authority.

11.2.6 The disclosure is required by applicable law or regulation, including under the Local Government Official Information and Meetings Act 1987.

Obligations to continue after agreement ends

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11.3 All obligations of confidence set out in this document continue in full force and effect after this document ends.

12 Announcements

12.1 Each [Shareholderparty](#) agrees that it will not make any public announcements or issue media releases in connection with, or on behalf of, the other [Shareholdersparties](#) or the Wellington Water Committee in relation to the Company or Water Services. Nothing in this provision shall prohibit or restrict a Shareholder from making a public announcements or media releases in connection with the Shareholder's own involvement with, or policies in relation to, the Wellington Water Committee or the Company.

12.2 Only the Chairperson of the Wellington Water Committee or their nominee shall be authorised to make public announcements or media releases in connection with or on behalf of the Wellington Water Committee in relation to the Company or [any](#) Water Services.

13 Notices

Giving notices

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13.1 Any notice or communication given to a party under this document is only given if it is in writing and sent in one of the following ways:

13.1.1 Delivered or posted to that party at its address and marked for the attention of the [relevant department or officer \(if any\) set out below](#). [Representative; or](#)

Shareholders' Agreement ←

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13.1.2 Emailed to that party at its email address and marked for the attention of Representative set out below.

WCC

Address: [101 Wakefield Street, Wellington, 6011]
 Email: kevin.lavery@wcc.govt.nz
 Attention: Chief Executive

HCC

Address: [Council building, 531 High Street, Lower Hutt, 5010]
 Email: tony.stallinger@huttcity.govt.nz
 Attention: Chief Executive

UHCC

Address: [838 Fergusson Drive, Upper Hutt, 5018]
 Email: chris.upton@uhcc.govt.nz
 Attention: Chief Executive

PCC

Address: [16 Cobham Court, Porirua, 5022]
 Email: gsimpson@pcc.govt.nz
 Attention: Chief Executive

GWRC

Address: Shed 39, 2 Fryatt Quay, Wellington 6011
 Email: david.benham@gw.govt.nz
 Attention: Chief Executive

in each case using the contact details notified by each party to the other parties and the Company from time to time (although subject to clause 13.2).

Change of details

13.2 If a party gives the other parties and the Company three business days' notice of a change of its postal address or email address, any notice or communication is only given by that other party if it is delivered, posted or emailed to the latest postal address or email address.

Time notice is given

13.3 Any notice or communication is to be treated as given at the following time:

13.3.1 If it is delivered, when it is left at the relevant address.

13.3.2 If it is sent by post, two business days after it is posted.

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13.3.3 If it is sent by email, when it is received in readable form addressed in the manner specified above.

13.4 However, if any notice or communication is given, on a day that is not a business day or after 5pm on a business day, in the place of the party to whom it is sent it is to be treated as having been given at the beginning of the next business day.

14 Miscellaneous

Assignments and transfers

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14.1 A party must not assign or transfer any of its rights or obligations under this document without the prior written consent of each of the other parties.

Costs

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14.2 Except as otherwise set out in this document, each party must pay its own costs and expenses, including legal costs and expenses, in relation to preparing, negotiating, executing and completing this document and any document related to this document.

Entire agreement

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14.3 This document contains everything the parties have agreed in relation to the subject matter it deals with. No party can rely on an earlier written document or anything said or done by or on behalf of another party before this document was executed.

Execution of separate documents

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14.4 This document is properly executed if each party executes either this document or an identical document. In the latter case, this document takes effect when the separately executed documents are exchanged between the parties.

Further acts

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14.5 Each party must at its own expense promptly execute all documents and do or use reasonable endeavours to cause a third party to do all things that another party from time to time may reasonably request in order to give effect to, perfect or complete this document and all transactions incidental to it.

Inconsistency with Constitution

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14.6 If there is any inconsistency between this document and the Constitution then the parties agree to abide by this document and to do everything required to change the Constitution so that it is consistent with this document.

No partnership or agency

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14.7 Nothing contained or implied in this document will create or constitute, or be deemed to create or constitute, a partnership between the parties. A party must not act, represent or hold itself out as having authority to act as the agent of or in any way bind or commit the other parties to any obligation.

Shareholders' Agreement

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Privity

14.8 Nothing in this agreement gives any right to a person not named as a party to this agreement, and no such person is entitled to make a claim against any party to this agreement.

No reliance on other matters

14.9 Each of the parties acknowledges that in agreeing to enter into this document it has not relied on any representation, warranty or other assurance except those set out in this document.

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Severability

14.10 Each provision of this document is individually severable. If any provision is or becomes illegal, unenforceable or invalid in any jurisdiction it is to be treated as being severed from this document in the relevant jurisdiction, but the rest of this document will not be affected.

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Variation

14.11 No variation of this document will be of any force or effect unless it is in writing and signed by the parties to this document.

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Waivers

14.12 A waiver of any right, power or remedy under this document must be in writing signed by the party granting it. A waiver is only effective in relation to the particular obligation or breach in respect of which it is given. It is not to be taken as an implied waiver of any other obligation or breach or as an implied waiver of that obligation or breach in relation to any other occasion.

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14.13 The fact that a party fails to do, or delays in doing, something the party is entitled to do under this document does not amount to a waiver.

15 Definitions and interpretation

Definitions

15.1 In this document the following definitions apply:

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Alternate means in relation to a Shareholder Committee Member, an alternate to that Shareholder's appointed Committee Member, to attend and vote at meetings of the Wellington Water Committee but only where the relevant Shareholder's appointed primary Committee Member is unable to do so.

Board means the board of directors for the time being of the Company.

Board Skills Matrix means the board skills matrix set out in Schedule 1 as amended from time to time by approval of the Wellington Water Committee.

Shareholders' Agreement

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Class A Shares means Shares in the Company entitling the holder of those Shares to vote at a meeting of the Shareholders on any resolution. No other rights or obligations attach to the Class A Shares.

Class B Shares means Shares in the Company entitling the holder to an equal share in any dividends authorised by the Board and an equal share in the distribution of surplus assets of the Company. No other rights or obligations attach to the Class B Shares.

Committee Member means a member of the Wellington Water Committee.

Companies Act means the Companies Act 1993.

Confidential Information has the meaning set out in clause 11.1.

Field Code Changed

Constitution means the constitution of the Company.

Director means a director for the time being of the Company.

Independent Director means a Director jointly appointed by the Shareholders jointly by agreement parties (including pursuant to authority delegated to the Wellington Water Committee) and who is neither a member (including Councillors and Mayors) of any Shareholder nor a person employed by any Local Authority (as defined under the LGA) or any MWPE.

Insolvency Event in relation to a party means anything that reasonably indicates that there is a significant risk that that party is or will become unable to pay its debts as they fall due. This includes any of the following:

- (a) The party's liabilities exceed its assets.
- (b) A meeting of the party's creditors being called or held.
- (c) A step being taken to liquidate the party.
- (d) A step being taken to have a receiver, receiver and manager, administrator, liquidator or provisional liquidator appointed to the party or any of its assets or such an appointment taking place.
- (e) The party entering into any type of arrangement with, or assignment for, the benefit of all or any of its creditors including any formal arrangement or compromise under the Companies Act.
- (f) The party ceases or threatens to cease to carry on its main business.

Letter of Expectation means a letter from the Shareholders to the Board setting out the expectations of the Shareholders parties in relation to the Company's Statement of Intent. The process for agreeing such a letter is set out in clause 6.

Field Code Changed

LGA means the Local Government Act 2002.

Shareholders' Agreement ←

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[Mana Whenua Partner Entity or MWPE means a Māori authority jointly approved by the Shareholders as contemplated in clauses 2.2 and 2.3.](#)

Related Person has in relation to companies and natural persons, the same meaning as 'Related company' and 'Relative' under the Companies Act 1993 and in relation to the trustees of a trust includes the settlor and beneficiaries of the trust and any person holding the power to appoint and remove trustees or beneficiaries of the trust.

Representative means any person appointed by a [Shareholder party to this document](#) as its representative for the purposes of this document, including as the primary point of contact for the other [Shareholders parties](#) and to the Wellington Water Committee and, at the date of this [agreement document](#), means the Chief Executive of each Shareholder: [and the Chair of each MWPE \(or such other representative as notified in writing by the relevant MWPE to all other parties\).](#)

Security Interest includes a mortgage, debenture, charge, lien, pledge, assignment or deposit by way of security, bill of sale, lease, hypothecation, hire purchase, credit sale, agreement for sale on deferred terms, option, right of pre-emption, caveat, claim, covenant, interest or power in or over an interest in an asset and any agreement or commitment to give or create any such security interest or preferential ranking to a creditor including set off.

Service Level Agreement means a contract for provision of management services relating to Water Services between the Company and a Shareholder.

Shareholder means [at the relevant time](#), a shareholder in the Company ~~and includes any person who subsequently becomes a shareholder~~. Where Shares are held by persons jointly, those persons are considered one Shareholder for the purpose of this document.

Shares means shares in the Company.

Statement of Intent means each statement of intent to be completed annually by the Board in accordance with the LGA.

Terms of Reference means the terms of reference of the Wellington Water Committee in the form set out in Schedule 3 as amended from time to time by agreement of the [Shareholders parties](#).

Water Services means the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the Wellington region [for which the Company is responsible for managing and operating](#).

Wellington Water Committee means the joint committee ~~formed by the Shareholders~~ pursuant to [clause clauses 3-13.1 and 3.2](#).

Shareholders' Agreement ←

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Interpretation

- 15.2 In the interpretation of this document, the following provisions apply unless the context otherwise requires:
 - 15.2.1 Headings are inserted for convenience only and do not affect the interpretation of this document.
 - 15.2.2 A reference in this document to a business day means a day other than a Saturday or Sunday on which banks are open for business generally in Wellington, New Zealand.
 - 15.2.3 If the day on which any act, matter or thing is to be done under this document is not a business day, the act, matter or thing must be done on the next business day.
 - 15.2.4 A reference in this document to dollars or \$ means New Zealand dollars and all amounts payable under this document are payable in New Zealand dollars.
 - 15.2.5 A reference in this document to any law, legislation or legislative provision includes any statutory modification, amendment or re-enactment, and any subordinate legislation or regulations issued under that legislation or legislative provision.
 - 15.2.6 A reference in this document to any agreement or document is to that agreement or document as amended, novated, supplemented or replaced.
 - 15.2.7 A reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this document. Any schedules and attachments form part of this document.
 - 15.2.8 An expression importing a natural person includes any company, trust, partnership, joint venture, association, body corporate or governmental agency.
 - 15.2.9 Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.
 - 15.2.10 A word which denotes the singular denotes the plural, a word which denotes the plural denotes the singular, and a reference to any gender denotes the other genders.
 - 15.2.11 References to the word 'include' or 'including' are to be construed without limitation.
 - 15.2.12 A reference to this document includes the agreement recorded in this document.

Shareholders' Agreement ←

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Execution and date

Executed as an agreement.

Date:

Wellington City Council by:

In the presence of:

.....
 Authorised signatory

.....
 Witness

.....
 Name of authorised signatory (print)

.....
 Name of witness (print)

.....
 Designation of authorised signatory

.....
 Occupation and address of witness

Hutt City Council by:

In the presence of:

.....
 Authorised signatory

.....
 Witness

.....
 Name of authorised signatory (print)

.....
 Name of witness (print)

.....
 Designation of authorised signatory

.....
 Occupation and address of witness

Upper Hutt City Council by:

In the presence of:

.....
 Authorised signatory

.....
 Witness

.....
 Name of authorised signatory (print)

.....
 Name of witness (print)

.....
 Designation of authorised signatory

.....
 Occupation and address of witness

Shareholders' Agreement ←

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Porirua City Council by:

In the presence of:

.....
Authorised signatory

.....
Witness

.....
Name of authorised signatory (print)

.....
Name of witness (print)

.....
Designation of authorised signatory

.....
Occupation and address of witness

Wellington Regional Council by:

In the presence of:

.....
Authorised signatory

.....
Witness

.....
Name of authorised signatory (print)

.....
Name of witness (print)

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Designation of authorised signatory

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Occupation and address of witness

Shareholders' Agreement

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Schedule 1

Board Skills Matrix

BOARD SKILLS MATRIX

Each Director of the Company must have the skills, knowledge, or experience to:

- guide the Company, given the nature and scope of its activities; and
- contribute to the achievement of the objectives of the Company.

In making all Director appointments, the parties to the Shareholders' Agreement should ensure that the Board collectively has the following attributes:

COLLECTIVE BOARD ATTRIBUTES

<u>BOARD SKILLS MATRIX</u>									
Each Director of the Company must have the skills, knowledge, or experience to:									
- guide the Company, given the nature and scope of its activities; and									
- contribute to the achievement of the objectives of the Company.									
<i>In making all director appointments, shareholders should ensure that the Board collectively has the following attributes:</i>									
<u>COLLECTIVE BOARD ATTRIBUTES</u>									
Candidates with the ability and willingness to:		Desirable but not mandatory		At least one director					

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Shareholders' Agreement

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1	Chair the Board			Formatted: Font: Bold
2	Participate fully in the life of the Board and on subcommittees as required			Deleted Cells
3	Demonstrate the individual attributes outlined below			Deleted Cells
Relevant knowledge and experience in/of:				Formatted: Font: Not Bold
4	Governance and leadership experience			Formatted: Font: Bold
5	Commercial strategic and business acumen			Formatted: Font: Bold
6	Engineering, infrastructure asset planning and management			Formatted: Font: Bold
7	A strong understanding of the Wellington region and the local government context, including appreciation of public accountability			Formatted: Font: Bold
8	Practical, and preferably leadership experience in Water Services			Formatted: Font: Not Bold
9	Resource and environmental management and the RMA	↓	↓	Formatted: Font: Bold
10	Commercial law and/or contract management	↓	↓	Formatted: Font: Not Bold

Shareholders' Agreement

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11	Accounting/finance and/or risk management	↓	↓	Formatted: Font: Bold Formatted: Font: Not Bold
12	Relationship management skills and experience.	↓	↓	Formatted: Font: Bold Formatted: Font: Not Bold

REQUIRED INDIVIDUAL ATTRIBUTES FOR DIRECTORS

13	Professionalism	<p>— Demonstrates behaviours and commitment to the vision and values of the Company and its objectives and strategic direction</p> <ul style="list-style-type: none"> — Empathy and clear understanding the objectives of the shareholder councils — Common sense, integrity and a strong sense of public service ethic — Applies knowledge of the Companies Act and Local Government Act and knows when to seek advice — Recognises perceived and real conflict of interest situations, when to declare an interest and acts accordingly and appropriately — Demonstrates a familiarity with the geographic area in which the Company is operating and iwi interests in that area <p>- Demonstrates an understanding of Te Ao Māori and Tikanga Māori</p>	↓	↓	<p>Deleted Cells</p> <p>Deleted Cells</p> <p>Inserted Cells</p> <p>Inserted Cells</p> <p>Inserted Cells</p> <p>Inserted Cells</p>
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Shareholders' Agreement

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		<ul style="list-style-type: none"> - Maintains, upholds, and proactively engages with, the principles of the Treaty of Waitangi - Demonstrates a commitment to kaitiakitanga and stewardship in relation to the natural environment. 					
14	Communication	-	<ul style="list-style-type: none"> - Mediates constructively and effectively to resolve differences and conflict - Listens and asks questions to maximise own understanding of situations and contributes constructively to meetings - Applies political instinct and knowledge of the political context to relevant situations - Exhibits open and transparent communications skills 				
15	Decision-Making	-	<ul style="list-style-type: none"> - Makes decisions honestly and in good faith - Ability to take a wide perspective on issues and think strategically and critically - Encourages new initiatives and tries to be inventive and original when tackling issues and solving problems. - Establishes decision-making criteria to determine the best outcome in line with Company and shareholder values - Undertakes effective analysis of both qualitative and quantitative data for problem solving, planning and decision-making - Acquaints themselves fully with all the relevant facts, and consider whether expert advice is needed - Applies fluency with financial concepts to the review of internal financial reports - Contributes to the development of stretching but achievable goals, objectives and KPIs - Implements and monitors performance against KPIs and budgets in order to achieve outcomes and respond to changes in the Company's operating environment 				

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16	Team Work	-	<ul style="list-style-type: none"> - Ability to work positively honestly and proactively with the Chief Executive, Chair and other directors of the Company - Maintains oversight of the Company's organisational culture and the depth of management - Ability to work positively with Shareholding Councils, with an appreciation of their role as customers and shareholders (including recognising demands on them for transparency and accountability)
17	Strategic Leadership	-	<ul style="list-style-type: none"> - Understands director responsibilities and can distinguish governance from management - Takes a proactive and forward thinking approach, identifying possible risks and opportunities and encourages the continuous improvement of service provision to the councils - Demonstrates an affiliation with and passion for the Wellington region and maintains a commitment to the principles of the Treaty of Waitangi - Keeps up to date on Company and industry issues and opportunities and maintains relevant technical and professional expertise - Responds to and influences constructively future focused strategic change management with the Company - Strives to identify relevant financial, operating, market, health and safety, and legal risks and ensure that best practice risk management is in place for the time - Assists with the high level development and oversight of resilience planning - Contributes to the Company's strategic and business planning including on a regional basis and champions the Company's vision and values

REQUIRED INDIVIDUAL ATTRIBUTES FOR DIRECTORS

13	Professionalism	<ul style="list-style-type: none"> - <u>Demonstrates behaviours and commitment to the vision and values of the Company and its objectives and strategic direction</u> - <u>Empathy and clear understanding of the objectives of the parties to the Shareholders' Agreement</u> - <u>Common sense, integrity and a strong sense of public service ethic</u>
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Shareholders' Agreement

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		<ul style="list-style-type: none"> - Applies knowledge of the Companies Act and Local Government Act and knows when to seek advice - Recognises perceived and real conflict of interest situations, when to declare an interest and acts accordingly and appropriately
14	Communication	<ul style="list-style-type: none"> - Mediates constructively and effectively to resolve differences and conflict - Listens and asks questions to maximise own understanding of situations and contributes constructively to meetings - Applies political instinct and knowledge of the political context to relevant situations - Exhibits open and transparent communications skills
15	Decision Making	<ul style="list-style-type: none"> - Makes decisions honestly and in good faith - Ability to take a wide perspective on issues and think strategically and critically - Encourages new initiatives and tries to be inventive and original when tackling issues and solving problems. - Establishes decision-making criteria to determine the best outcome in line with Company and values of the parties to the Shareholders' Agreement - Undertakes effective analysis of both qualitative and quantitative data for problem solving, planning and decision making - Acquaints themselves fully with all the relevant facts, and consider whether expert advice is needed - Applies fluency with financial concepts to the review of internal financial reports

Shareholders' Agreement

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		<ul style="list-style-type: none"> - Contributes to the development of stretching but achievable goals, objectives and KPIs - Implements and monitors performance against KPIs and budgets in order to achieve outcomes and respond to changes in the Company's operating environment
16	Team Work	<ul style="list-style-type: none"> - Ability to work positively honestly and proactively with the Chief Executive, Chair and other directors of the Company - Maintains oversight of the Company's organisational culture and the depth of management - Ability to work positively with the parties to the Shareholders' Agreement, with an appreciation of their role as customers, shareholders and mana whenua representatives (including recognising demands on them for transparency and accountability)
17	Strategic Leadership	<ul style="list-style-type: none"> - Understands director responsibilities and can distinguish governance from management - Takes a proactive and forward thinking approach, identifying possible risks and opportunities, and encourages the continuous improvement of service provision to the client councils - Demonstrates an affiliation with and passion for the geographic area in which the Company is operating and maintains a commitment to the principles of the Treaty of Waitangi - Keeps up-to-date on Company and industry issues and opportunities and maintains relevant technical and professional expertise - Responds to and influences constructively future-focused strategic change management within the Company - Strives to identify relevant financial, operating, market, health and safety, and legal risks and to ensure that best practice risk management is in place for the time

Shareholders' Agreement

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	<ul style="list-style-type: none">- Assists with the high level development and oversight of resilience planning- Contributes to the Company's strategic and business planning including championing the Company's vision and values
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Shareholders' Agreement ←

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Schedule 2

Matters requiring [Shareholder](#) approval or reflection in Statement of Intent

Part 1 - Matters requiring unanimous resolution of Shareholders

The unanimous agreement of the Shareholders is required for:

- changes to the Constitution;
- increases in share capital and the issue of further securities, share buybacks and financial assistance, excluding buybacks created as a result of the agreed termination provisions in the Service Level Agreement;
- any alteration of rights, privileges or conditions attaching to the Shares;
- any arrangement, dissolution, reorganisation, liquidation, merger or amalgamation of the Company; and
- "major transactions" as that term is defined in the Companies Act.

Part 2 - Matters to be restricted in the Statement of Intent

~~The Shareholders~~[The parties to the Shareholders' Agreement](#) agree that the Letter of Expectation will request that the Company ensures its Statement of Intent includes appropriate restrictions on the following matters:

- making a loan or borrowing money, except for any borrowings in the ordinary course of business of no more than \$1,000,000 in total;
- granting security over the assets of the Company, or granting an indemnity or guarantee other than in the ordinary course of business;
- making a material change in the nature of the Company's business or engaging in business activities outside the ordinary course of business;
- entering a new customer service level agreement, except in the form already agreed by the ~~Shareholders~~[parties to the Shareholders' Agreement](#);
- entering into a partnership or joint venture, except in the ordinary course of business;
- acquiring a new business or shares in another company;
- starting or settling any legal or arbitration proceedings, except in the ordinary course of business; and
- transferring or disposing of real or intellectual property with a value of over \$200,000.

Shareholders' Agreement

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Schedule 3

Form of Wellington Water Committee Terms of Reference

Wellington Water Committee

Purpose

The Wellington Water Committee ("the Committee") is established to:

- ~~Provide governance oversight of the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the areas of Lower Hutt City, Porirua City, Upper Hutt City and Wellington City ("the four cities");~~
- ~~Provide governance and leadership across all issues which affect the current and future use of water;~~
- Provide governance oversight of Wellington Water Limited; ~~and, including by exhibiting good governance practice;~~
- Provide a forum for the representatives of Wellington Water Limited's shareholders (~~being Wellington Regional Council and the local authorities for the four cities~~) ("the Shareholders") ~~and mana whenua~~ to meet, discuss and co-ordinate on relevant issues and, through their representatives, ~~to~~ exercise their powers; ~~and~~

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Status

- ~~The Committee is a joint committee of the Lower Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council and Wellington Regional Council. Strive for consistency across all client councils so all customers receive a similar level of service.~~

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Specific responsibilities

The Committee's responsibilities are:

Governance oversight responsibilities

~~Governance~~ Shareholder or mana whenua stakeholder governance oversight of Wellington Water Limited and of the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the geographical areas of ~~the four cities~~ Wellington Water Limited's operations, including by:

- Receiving and considering the half-yearly and annual reports of Wellington Water Limited;

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Shareholders' Agreement

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- Receiving and considering such other information from Wellington Water Limited as the Committee may request on behalf of the [Shareholders parties to the Shareholders' Agreement](#) and/or receive from time to time;
- Undertaking performance and other monitoring of Wellington Water Limited;
- Considering and providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) on proposals from Wellington Water Limited;
- Providing co-ordinated feedback, and recommendations as needed, on any matters requested by Wellington Water Limited or any [Shareholder of the parties to the Shareholders' Agreement](#);
- Providing recommendations to the [parties to the Shareholders' Agreement regarding regional studies which the Shareholders regarding the relevant network infrastructure owned by each Shareholder need to be cognisant of](#);
- Providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) regarding water conservation;
- Agreeing the annual Letter of Expectation to Wellington Water Limited;
- Receiving, considering and providing agreed feedback and recommendations to Wellington Water Limited on its draft statement of intent;
- Receiving, considering and providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) regarding Wellington Water Limited's final statement of intent.
- Agreeing when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required, without prejudice to Shareholder and ~~board~~[Board](#) rights to call meetings under Wellington Water Limited's constitution [and](#);
- Seeking and interviewing candidates for Wellington Water Limited's ~~board~~[Board](#) as needed and approving director appointments and/or removals;
- Approving the remuneration of directors of Wellington Water Limited;
- Monitoring the performance of the ~~board~~[Board](#) of Wellington Water Limited; and
- Providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) regarding changes to these terms of reference, the Shareholders' Agreement and the constitution of Wellington Water Limited.

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[Shareholders' responsibilities](#)

~~To the extent that each Shareholder delegates its relevant powers to the Committee member it appoints, the Committee will provide a forum for the Shareholders to meet and exercise their powers in relation to Wellington Water Limited.~~

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Membership

Shareholders' Agreement ←

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The membership of the Committee will ~~total five persons, be~~ as follows: specified in the Shareholders' Agreement.

- ~~One member appointed by Hutt City Council;~~
- ~~One member appointed by Porirua City Council;~~
- ~~One member appointed by Upper Hutt City Council;~~
- ~~One member appointed by Wellington City Council; and~~
- ~~One member appointed by Wellington Regional Council.~~

~~Each~~With the exception of the Committee Members nominated by the Mana Whenua Partners Entities, each appointee must be an elected member of the appointing Shareholder.

Chairperson

The Chairperson and Deputy Chairperson will be elected by the Committee once all Committee members have been appointed.

Quorum

For a meeting of the Committee to have a quorum, ~~three members~~ a majority of Committee Members, or their appointed ~~alternates~~ Alternates, must be present.

Where the Committee is providing a forum for the Shareholders to meet and exercise their powers in relation to Wellington Water Limited, the requirements of Wellington Water Limited's constitution will prevail.

[Note: Clause 11.3 of the company's constitution provides that Directors shall be appointed and removed by the unanimous resolution of the ~~shareholders~~ Shareholders. For this matter the quorum is therefore all ~~five members~~ Committee Members (or their ~~alternates~~ Alternates).]

Alternates

Each ~~member~~ Committee Member appointed to the Committee must have an ~~alternate appointed by the relevant Shareholder. The alternate may attend and vote at meetings of the Committee, but only in the event that the primary member is unable to do so.~~ Alternate.

Decision-making

The Committee will strive to make all decisions by consensus.

In the event that a consensus on a particular matter before the Committee is not able to be reached, each ~~member of the~~ Committee Member has a deliberative vote. In the situation where there is an equality of votes cast on a matter, the

Shareholders' Agreement ←

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Chairperson does not have a casting vote and therefore the matter subject to the vote is defeated and the status quo is preserved.

Other than for those matters for which the Committee has effective decision-making capacity through these ~~terms~~ Terms of Reference, each Shareholder retains its full powers to make its own decisions on matters referred to it by the Committee and on matters specified in Part 1 of Schedule 2 to the Shareholders' Agreement.

Standing Orders

The ~~Wellington Regional Council's~~ Standing Orders of the party providing secretariat services to the Committee apply, subject to the provisions for meeting quorum and decision making as set out in these terms of reference taking precedence.

Remuneration

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Each Shareholder will be responsible for remunerating its representative on the Committee, and their Alternate, for any costs associated with that person's membership ~~of~~ on the Committee.

Wellington Water Limited will be responsible for remunerating the Committee Members nominated by Mana Whenua Partner Entities, and their Alternates, for any costs associated with those persons' membership on the Committee.

Administration

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Reports to be considered by the Committee may be submitted by any of the Shareholders, any of the Mana Whenua Partner Entities, or Wellington Water Limited.

Duration of the Committee

In accordance with clause 30(7) of Schedule 7 to the Local Government Act 2002, the Committee is not deemed to be discharged following each triennial election.

Shareholders' Agreement

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Appendix

Common delegations

Governance oversight responsibilities

- Each Shareholder will delegate to the Committee the responsibilities and powers necessary to participate in and carry out the Committee's governance oversight responsibilities.

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Shareholders' responsibilities

- Each Shareholder will delegate to its appointed Committee ~~member~~Member and, in accordance with these terms of reference, that person's ~~alternate~~Alternate, all responsibilities and powers in relation to the agreement of:
 - when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required (without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution); and
 - the appointment, removal and remuneration of Wellington Water Limited's directors.

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Chartered Accountants
50-64 Customhouse Quay
PO Box 2791
Wellington 6140
New Zealand
Draft 9 November 2013
www.dlapf.com

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Constitution

{Wellington Water} Limited

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Final Draft: 27 August 2014

Note that change of name from Capacity Infrastructure Services Limited to be considered at Wellington Water Committee meeting on 11 September

DLA Phillips Fox is a member of DLA Piper Group, an alliance of independent legal practices.

NMD / 1008805

Table of contents

1 Objectives and activities of the Company 1
 Objectives of the Company 1

2 Rights attaching to Shares 1

3 Shareholders 1

4 Other matters relating to Shares 2
 Board may issue Shares 2
 Restriction on issue and transfer 2
 Consolidation and subdivision of Shares 2
 Share repurchases 2
 Shareholders' Agreement 2

5 Pre-emptive rights on issue of new Shares 3
 Section 45 applies 3
 Transfer of Shares by the Company 3

6 Alteration of Shareholders' rights 3
 Special Resolution required 3

7 Transfer of Shares 3
 Right to transfer 3
 Restriction on transfer 3
 Transferor to remain holder until registration 3
 Form of transfer 3
 Delivery to Company 4
 Registration of transfer 4
 Power of Board to refuse or delay registration 4

8 Shareholder matters 5

9 Meetings of Shareholders 5
 Annual meetings 5
 Special meetings 5
 Resolution in lieu of meeting 5
 Shareholder Representatives 5
 Chairperson 6
 Management of the Company 6
 Notice of meetings to Class A Shareholders 6
 Entitlement to notice of meetings 7
 Methods of holding meetings 7
 Quorum 7
 Voting 7
 Poll 8
 Minutes 8
 Other proceedings 8

10 Shareholder proposals 8
 Notice to the Board 8

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	Written statement.....	9
	Costs.....	9
11	Directors	9
	The Board	9
	Minimum and maximum number	10
	Appointment and removal.....	10
	Skills of Directors	10
	Collective skills of Board.....	10
	Vacation of office	10
	Authorisation of payment or other benefit	11
12	Directors' meetings	11
	Third Schedule to the Act not to apply	11
	Notice of meeting.....	11
	Methods of holding meetings.....	12
	Quorum	12
	Chairperson	12
	Voting.....	12
	Minutes	13
	Written resolution.....	13
	Committees.....	13
	Validity of actions.....	13
	Other proceedings	13
13	Powers of Directors.....	14
	Role of Directors	14
	Management of Company	14
	Exercise of powers by Board.....	14
	Delegation of powers	14
14	Interested Transactions	14
	Disclosure of interests	14
	Company's best interests	14
	Use of Company information	14
	Procedure for disclosure and use.....	15
15	Indemnity and insurance	15
	Indemnity for Directors	15
	Indemnities and insurance.....	15
	Definitions	15
16	Reporting.....	15
	Half yearly report	15
	Annual report	16
	Contents of reports on operations of the Company	16
	Protection from disclosure of sensitive information.....	16
	Statement of Intent	17
17	Auditor	17
18	Official information.....	17
19	Dividends.....	17

Power to authorise.....	17
Deductions.....	18
Entitlement Date.....	18
Unclaimed dividends.....	18
20 Method of contracting.....	18
Deeds.....	18
Written contracts.....	18
Other contracts.....	19
21 Definitions and Interpretation.....	19
Definitions.....	19
Interpretation.....	20
Conflict between the Act and this constitution.....	21

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[Constitution](#) [Constitution](#)

1 Objectives and activities of the Company

Objectives of the Company

- 1.1 The Company was incorporated on 9 July 2003.
- 1.2 The principal objectives of the Company are to:
 - 1.2.1 achieve the objectives of its Shareholders, both commercial and non-commercial as specified in the Statement of Intent;
 - 1.2.2 be a good employer;
 - 1.2.3 exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which the Company operates and by endeavouring to accommodate or encourage these when able to do so; and
 - 1.2.4 conduct its affairs in accordance with sound business practice.

2 Rights attaching to Shares

- 2.1 The Class A Shares shall confer on the holder the rights specified in section 36(1)(a) of the Act
- 2.2 The Class B Shares shall confer on the holder the rights specified in section 36(1)(b) and section 36(1)(c) of the Act.
- 2.3 The Class B Shares will be issued at a subscription price of \$2000 per share.

3 Shareholders

- 3.1 The Shares in the Company are structured ~~so that each in two classes, being Class A Shares and Class B Shares. Each~~ Shareholder holds ~~the~~ Shares as ~~set out in the share register for the Company.~~

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set out below:

Name of Shareholder	Number of Class A Shares held	Number of Class B Shares held	Value of Class B Shares held (\$'000)
Wellington City Council	150	200	400
Hutt City Council	150	100	200
Upper Hutt City Council	150	40	80

Constitution Constitution

Name of Shareholder	Number of Class A Shares held	Number of Class B Shares held	Value of Class B Shares held (\$'000)
Porirua City Council	150	60	120
Wellington Regional Council	150	75	150

4 Other matters relating to Shares**Board may issue Shares**

4.1 Subject to the provisions of the Act and this constitution, the Board may issue, in such classes and on such terms as the Board thinks fit, any of the following:

- 4.1.1 Shares;
- 4.1.2 Securities that are convertible into or exchangeable for Shares;
- 4.1.3 Options to acquire Shares; or
- 4.1.4 Shares that are redeemable by the Shareholder;

provided that any such issue must first be approved by a Special Resolution of the holders of Class A Shares.

Restriction on issue and transfer

4.2 No shares may be issued or transferred to any person other than a Local Authority or a Council Controlled Organisation.

Consolidation and subdivision of Shares

- 4.3 The Board may do any of the following:
- 4.3.1 Consolidate and divide the Shares or the Shares of any Class in proportion to those Shares or the Shares in that Class.
 - 4.3.2 Subdivide the Shares or the Shares of any Class in proportion to those Shares or the Shares in that Class.

Share repurchases

4.4 The Company may purchase or otherwise acquire Shares issued by it from one or more Shareholders and hold its own Shares.

Shareholders' Agreement

4.5 Each Shareholder shall be party to the Shareholders' Agreement, either by signing the Shareholders' Agreement when it was first put in place or by acceding to it by way of entry into a deed of accession in a form required by the Shareholders.

[Constitution](#) [Constitution](#)

5 Pre-emptive rights on issue of new Shares

Section 45 applies

- 5.1 The pre-emptive provisions of section 45 of the Act apply to a new issue of Shares, unless waived in writing by a Special Resolution.

Transfer of Shares by the Company

- 5.2 Clause 5.1 applies to the transfer by the Company of Shares held by the Company in itself as if the transfer was an issue of new Shares by the Company.

6 Alteration of Shareholders' rights

Special Resolution required

- 6.1 Any action affecting the rights, privileges, limitations or conditions attached to any Shares by this constitution, the Act, or the terms on which the Shares were issued, must be approved by a Special Resolution.

7 Transfer of Shares

Right to transfer

- 7.1 Subject to the restrictions contained in this constitution, a Shareholder may transfer any Share by an instrument of transfer that complies with this constitution.

Restriction on transfer

- 7.2 A Shareholder who wishes to sell, transfer or otherwise dispose of the legal or beneficial interest in any Shares may only do so if:
- 7.2.1 that sale, transfer or disposal is first approved by Special Resolution; and
 - 7.2.2 the transferee or recipient of the Shares is a Local Authority or a Council Controlled Organisation approved by all the other Shareholders.
- 7.3 A Shareholder must not do anything that has the purpose or effect of undermining or circumventing the restriction on the transfer of Shares set out in clause 7.2.

Transferor to remain holder until registration

- 7.4 The transferor of a Share will remain the holder of the Share until the name of the transferee is entered in the Share register of the Company.

Form of transfer

- 7.5 Every instrument of transfer of Shares must comply with all of the following provisions:
- 7.5.1 The form of the instrument of transfer must be any usual or common form or any other form approved by the Board.

Constitution Constitution

- 7.5.2 The instrument of transfer must be signed or executed by or on behalf of the transferor.
- 7.5.3 Where the Shares being transferred are not fully paid up, the instrument of transfer must also be signed by, or on behalf of, the transferee.

Delivery to Company

- 7.6 An instrument transferring Shares must be delivered to the Company or to the agent of the Company who maintains the Share register of the Company, together with the Share certificate (if any) relating to the Shares to be transferred. The transferee must provide such evidence as the Board or the agent reasonably requires to prove the title of the transferor to, or right of the transferor to transfer, the Shares.

Registration of transfer

- 7.7 On receipt of a form of transfer in accordance with clause 7.6, the Company must as soon as practicable enter the name of the transferee on the Share register as holder of the Shares, unless:
 - 7.7.1 the Board resolves within 30 working days of receipt of the transfer to refuse or delay the registration of the transfer, and the resolution sets out in full the reasons for doing so;
 - 7.7.2 notice of the resolution, including those reasons, is sent to the transferor and to the transferee within 5 working days of the resolution being passed by the Board; and
 - 7.7.3 the refusal or delay in the registration is permitted by clause 7.8.

Power of Board to refuse or delay registration

- 7.8 Notwithstanding that a transfer of any Share may have been approved by Special Resolution, the Board may refuse or delay the registration of a transfer of any Share for any of the reasons set out below.
 - 7.8.1 The Company has a lien on the Share.
 - 7.8.2 The Share is not fully paid up.
 - 7.8.3 The form of transfer in respect of the Share relates to more than one Class.
 - 7.8.4 The form of transfer is not accompanied by the certificate for the Share to which it relates (if a certificate has been issued) and such other evidence as the Directors may reasonably require of the right of the transferor to make the transfer.
 - 7.8.5 The holder of the Share has failed to comply with the terms of any contract with the Company relating to the Share.
 - 7.8.6 The Board considers that it would not be in the best interests of the Company to do so.

[Constitution Constitution](#)

- 7.9 Pursuant to clause 7.2, the Board must refuse the registration of a transfer of any Share:
- 7.9.1 if the transfer has not been approved by Special Resolution of the Shareholders (excluding the transferor); or
- 7.9.2 if the transferee is not a Local Authority or Council Controlled Organisation.

8 Shareholder matters

- 8.1 In the event of an amalgamation or any other change in the regional governance structure of a Shareholder, the Shareholders will meet and discuss the effect of the amalgamation on the shareholding structure of the Company and will exercise their voting rights to ensure that the shareholding percentages for both classes of shares remain reasonable as agreed by all Shareholders.

9 Meetings of Shareholders

Annual meetings

- 9.1 An annual meeting of Shareholders is to be held not later than 6 months after the balance date of the Company, and not later than 15 months after the previous annual meeting.
- 9.2 It will not be necessary for the Company to hold an annual meeting of Shareholders under clause 9.1 if everything required to be done at that meeting (by resolution or otherwise) is done by resolution in accordance with clause 9.4.

Special meetings

- 9.3 A special meeting of Class A Shareholders entitled to vote on an issue:
- 9.3.1 may be called at any time by the Board; and
- 9.3.2 must be called by the Board on the written request of a Class A Shareholder.

Resolution in lieu of meeting

- 9.4 A resolution in writing signed by the requisite number of Class A Shareholders in accordance with section 122 of the Act is as valid as if it had been passed at a meeting of Class A Shareholders.

Shareholder Representatives

- 9.5 The Chief Executive of each Class A Shareholder is the Representative to receive notices of Shareholder meetings. They may appoint by notice in writing an alternate to act as the Representative. The notice must state whether the appointment is for a particular meeting or a specified term.

Constitution Constitution

- 9.6 Class A Shareholders may participate at Shareholder meetings and exercise the right to vote by a Representative.
- 9.7 The Representative for a Class A Shareholder is entitled to attend and be heard at a meeting of Shareholders as if the Representative were the Class A Shareholder.
- 9.8 No Representative's appointment is effective in relation to a meeting unless it is produced to the Company before the start of the meeting.

Chairperson

- 9.9 If the chairperson of the Board is present at a meeting of Shareholders, he or she must chair the meeting.
- 9.10 If at any meeting of Shareholders, the chairperson of the Board is not present within 15 minutes of the time appointed for the meeting, or if the chairperson absences himself or herself from the meeting, the Class A Shareholders present may choose one of their number to be chairperson of the meeting.

Management of the Company

- 9.11 The chairperson of a meeting of Shareholders must allow a reasonable opportunity for Class A Shareholders at the meeting to question, discuss or comment on the management of the Company.
- 9.12 Class A Shareholders at a meeting of Shareholders may pass a resolution relating to the management of the Company. A resolution relating to the management of the Company passed by Class A Shareholders, other than as specifically set out in this constitution or the Shareholders' Agreement, at a meeting of Shareholders is not binding on the Board.

Notice of meetings to Class A Shareholders

- 9.13 An irregularity in a notice of a meeting is waived if all the Class A Shareholders entitled to attend and vote at the meeting attend the meeting without protest as to the irregularity, or if all such Class A Shareholders agree to the waiver.
- 9.14 Written notice of the time and place of a meeting (including an adjourned meeting) of Shareholders must be given to every Class A Shareholder entitled to receive notice of the meeting and to every Director and an auditor of the Company not less than 10 working days before the meeting (including an adjourned meeting).
- 9.15 The notice must state all of the following:
- 9.15.1 the nature of the business to be transacted at the meeting in sufficient detail to enable a Shareholder to form a reasoned judgement in relation to it; and
 - 9.15.2 the text of any resolution to be submitted to the meeting.
- 9.16 The failure to receive notice of a meeting by a Class A Shareholder, if correctly sent to their Representative, does not invalidate the proceedings at that meeting.

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Entitlement to notice of meetings

- 9.17 The Shareholders who are entitled to receive notice of a meeting of Shareholders are, if the Board:
- 9.17.1 fixes a date for the purpose, those Shareholders whose names are registered in the Share register on that date; or
 - 9.17.2 does not fix a date for the purpose, those Shareholders whose names are registered in the Share register at the close of business on the day immediately preceding the day on which the notice is given.

Methods of holding meetings

- 9.18 A meeting of Shareholders may be held either:
- 9.18.1 by a number of Class A Shareholders, who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
 - 9.18.2 by means of audio, or audio and visual, communication by which all Shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

Quorum

- 9.19 No business may be transacted at a meeting of Shareholders if a quorum is not present.
- 9.20 A quorum for a meeting of Shareholders is present if Class A Shareholders or their Representatives are present who between them hold or represent a majority of the votes entitled to be cast on the business to be transacted at the Meeting.
- 9.21 If a quorum is not present within 30 minutes after the time appointed for the meeting:
- 9.21.1 in the case of a meeting called by the Board on the written request of Class A Shareholders pursuant to section 121(b) of the Act, the meeting is dissolved; and
 - 9.21.2 in the case of any other meeting, the meeting is adjourned to the same day two weeks later at the same time and place or to such other date, time and place as the Directors may appoint, provided that appropriate notice is given. If at the adjourned meeting a quorum is not present within 30 minutes after the time appointed for the meeting, the Class A Shareholders or their Representatives present are a quorum.

Voting

- 9.22 In the case of a meeting of Shareholders assembled together in accordance with clause 9.18.1, unless a poll is demanded, voting by Class A Shareholders will be by whichever of the following methods is determined by the chairperson of the meeting, by:

Constitution Constitution

9.22.1 voice; or

9.22.2 show of hands.

9.23 In the case of a meeting of Shareholders held by means of audio, or audio and visual communication, unless a poll is demanded, voting at the meeting shall be by the Class A Shareholders signifying individually their assent or dissent by voice.

9.24 A declaration by the chairperson of the meeting that a resolution is carried by the requisite majority is conclusive evidence of that fact unless a poll is demanded in accordance with clause 9.25.

Poll

9.25 At a meeting of Shareholders a poll may be demanded by a Class A Shareholder having the right to vote at the meeting, or the chairperson of the meeting.

9.26 A poll may be demanded either before or after the vote is taken on a resolution.

9.27 If a poll is taken, votes must be counted according to the votes attached to the Class A Shares of each Class A Shareholder present in person or by Representative and voting.

9.28 The chairperson of a Shareholders' meeting is not entitled to a casting vote.

Minutes

9.29 The Board must ensure that minutes are kept of all proceedings at meetings of Shareholders.

9.30 Minutes that have been signed correct by each of the Class A shareholders present at the meeting are prima facie evidence of the proceedings.

Other proceedings

9.31 Except as provided in this constitution, a meeting of Shareholders may regulate its own procedure.

10 Shareholder proposals

Notice to the Board

10.1 A Class A Shareholder may give written notice to the Board of a matter the Class A Shareholder proposes to raise for discussion or resolution at the next meeting of Shareholders at which the Class A Shareholder is entitled to vote.

10.2 If the notice is received by the Board not less than 20 working days before the last day on which notice of the relevant meeting of Shareholders is required to be given by the Board, the Board must, at the expense of the Company, give notice of the Shareholder proposal and the text of any proposed resolution to all Class A Shareholders entitled to receive notice of the meeting.

Constitution Constitution

- 10.3 If the notice is received by the Board not less than 5 working days and not more than 20 working days before the last day on which notice of the relevant meeting of Shareholders is required to be given by the Board, the Board must, at the expense of the Class A Shareholder, give notice of the Class A Shareholder proposal and the text of any proposed resolution to all Shareholders entitled to receive notice of the meeting.
- 10.4 If the notice is received by the Board less than 5 working days before the last day on which notice of the relevant meeting of Shareholders is required to be given by the Board, the Board may, if practicable, and at the expense of the Class A Shareholder, give notice of the Class A Shareholder proposal and the text of any proposed resolution to all Class A Shareholders entitled to receive notice of the meeting.

Written statement

- 10.5 If the Directors intend that Class A Shareholders may vote on the proposal by Representative or by postal vote, they must give the proposing Class A Shareholder the right to include with the notice given by the Board a statement of not more than 1,000 words prepared by the proposing Class A Shareholder in support of the proposal, together with the name and address of the proposing Class A Shareholder.
- 10.6 The Board is not required to include with the notice given by the Board a statement prepared by a Class A Shareholder which the Directors consider to be defamatory, frivolous or vexatious.

Costs

- 10.7 Where the costs of giving notice of the Class A Shareholder proposal and the text of any proposed resolution are required to be met by the proposing Class A Shareholder, the proposing Class A Shareholder must, on giving notice to the Board, deposit with the Company or tender to the Company a sum sufficient to meet those costs.

11 Directors

The Board

- 11.1 All Directors shall be Independent Directors.
- 11.2 Each Class A Shareholder is entitled to jointly appoint and remove Directors, subject to the maximum number of Directors permitted under this constitution.
- 11.3 Directors shall be appointed and removed by the unanimous resolution of the Class A Shareholders.
- 11.4 An appointee must not be a person disqualified from acting as a Director under the Companies Act 1993.

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Minimum and maximum number

- 11.5 The minimum number of Directors shall be four and the maximum number of Directors shall be eight, or such other number fixed by Special Resolution.

Appointment and removal

- 11.6 Subject to clause 11.5, a Director may be appointed and removed from office at any time by the Class A Shareholders by written notice to the Company.

Skills of Directors

- 11.7 Class A Shareholders may appoint a person to be a Director of the Company only if the person has, in the opinion of the Class A Shareholders, the skills, knowledge, or experience to:

11.7.1 guide the Company, given the nature and scope of its activities; and

11.7.2 contribute to the achievement of the objectives of the Company.

- 11.8 All Director appointments must be made in accordance with the Shareholders' Agreement, including the Board Skills Matrix.

Collective skills of Board

- 11.9 The Board must collectively have relevant knowledge and experience of finance, Water Services, public bodies, the Wellington region, the environment and resource management, [relevant issues affecting mana whenua](#), and appropriate skills to assist the Company to contribute to relevant plans and strategies of the Shareholders in respect to the management and provision of Water Services.

- 11.10 The Board collective skills requirements are detailed in the Board Skills Matrix in the Shareholders' Agreement.

Vacation of office

- 11.11 A Director vacates office if that Director:

11.11.1 resigns by written notice of resignation to the Company. The notice is to be effective when it is received at that address or at a later time specified in the notice;

11.11.2 is removed from office in accordance with clause 11.6;

11.11.3 becomes disqualified from being a Director pursuant to section 151 of the Act; or

11.11.4 dies.

- 11.12 Each Director can serve a maximum of 6 years after which they must either resign or be removed as Director by the Class A Shareholders, unless the Class A Shareholders agree to extend that Director's term of office.

[Constitution Constitution](#)

Authorisation of payment or other benefit

11.13 Subject to clause 11.14, the Board may only exercise the power conferred by section 161 of the Act to authorise any payment or other benefit of the kind referred to in that section with the prior written approval of the Shareholder.

11.14 Payments or other benefits of the kind referred to in section 161 of the Act which are approved by the Board as at the date of adoption of this constitution are confirmed.

12 Directors' meetings

Third Schedule to the Act not to apply

12.1 The Third Schedule to the Act (relating to the proceedings of a board) does not apply to the Company except to the extent included in this constitution.

Notice of meeting

12.2 A Director or, if requested by a Director to do so, an employee of the Company, may convene a meeting of the Board by giving notice in accordance with clause 12.3.

12.3 The following provisions apply in relation to meetings of the Board:

12.3.1 Not less than two working days' notice of a meeting of the Board is to be sent to each Director, unless the Director waives that right.

12.3.2 Notice to a Director of a meeting of the Board may be:

- (a) delivered to the Director;
- (b) posted to the address given by the Director to the Company for such purpose;
- (c) sent by facsimile transmission to the facsimile number given by the Director to the Company for such purpose; or
- (d) sent by electronic means in accordance with any request made by the Director from time to time for such purpose.

12.3.3 A notice of meeting shall specify the date, time and place of the meeting and, in the case of a meeting by means of audio, or audio and visual communication, the manner in which each Director may participate in the proceedings of the meeting.

12.3.4 A notice given to a Director pursuant to this clause 12.3 is deemed to be given:

- (a) in the case of delivery, by handing the notice to the Director or by delivery of the notice to the address of the Director;

Constitution Constitution

- (b) in the case of posting, three days after it is posted;
 - (c) in the case of facsimile transmission, when the Company receives a transmission report by the sending machine which indicates that the facsimile was sent in its entirety to the facsimile telephone number given by the Director; or
 - (d) in the case of electronic means, at the time of transmission.
- 12.4 An irregularity in the notice of a meeting or a failure to give notice is waived if all Directors entitled to receive notice of the meeting attend the meeting without protest as to the irregularity or if all Directors agree to the waiver.
- 12.5 Notice of a meeting of the Board may be given to the public.

Methods of holding meetings

- 12.6 A meeting of the Board may be held either:
- 12.6.1 by a number of the Directors who constitute a quorum, being assembled together at the place, date and time appointed for the meeting; or
 - 12.6.2 by means of audio, or audio and visual, communications by which all Directors participating and constituting a quorum can simultaneously hear each other during the meeting.
- 12.7 Board meetings will be open to the public to attend although the Board at its sole discretion may exclude the public if it believes that the matters under discussion should not be made public.

Quorum

- 12.8 A quorum for a meeting of the Board, other than an adjourned meeting, is a majority of the Directors.
- 12.9 No business may be transacted at a meeting of the Board if a quorum is not present.

Chairperson

- 12.10 The Directors shall elect one of the Independent Directors as chairperson of the Board to hold office until he or she resigns or dies or until the Directors elect a different Independent Director in his or her place.
- 12.11 If at a meeting of the Board the chairperson is not present within 10 minutes after the time appointed for the meeting, or if the chairperson absences himself or herself from the meeting, the Directors present may choose one of their number to be chairperson of the meeting.

Voting

- 12.12 Every Director has one vote.
- 12.13 The chairperson does not have a casting vote.

[Constitution](#) ~~Constitution~~

- 12.14 A resolution of the Board is passed if a majority of the votes cast on it are in favour of it.
- 12.15 A Director present at a meeting of the Board will be presumed to have voted in favour of a resolution of the Board unless he or she:
- 12.15.1 expressly abstains from voting; or
 - 12.15.2 dissents from or votes against the resolution.

Minutes

- 12.16 The Board must ensure that minutes are kept of all proceedings at meetings of the Board.

Written resolution

- 12.17 A unanimous resolution in writing, signed or assented to in written form by all of the Directors, is as valid as if it had been passed at a meeting of the Board duly convened and held.
- 12.18 A resolution pursuant to clause 12.17 may consist of several documents (including facsimile or other similar means of communication) in like form each signed or assented to by one or more Directors.
- 12.19 A copy of any such resolution must be entered in the minute book of Board proceedings.

Committees

- 12.20 A committee of Directors must, in the exercise of the powers delegated to it, comply with any procedural or other requirements imposed on it by the Board. Subject to any such requirements, the provisions of this constitution relating to proceedings of Directors apply, with appropriate modification, to meetings of a committee of Directors.

Validity of actions

- 12.21 An act or decision of the Board shall not be invalid by reason only of:
- 12.21.1 a fault, default [or](#) irregularity in or in connection with the appointment of a Director; or
 - 12.21.2 a vacancy in the number of Directors including a vacancy arising because of the failure to appoint a Director.

Other proceedings

- 12.22 Except as provided in this constitution, the Board may regulate its own procedure.

[Constitution Constitution](#)

13 Powers of Directors

Role of Directors

- 13.1 The role of a Director is to assist the Company to meet its objectives and any other requirements in the Company's Statement of Intent. This clause does not limit or affect the other duties that a Director has.

Management of Company

- 13.2 The business and affairs of the Company must be managed by, or under the direction of, the Board.
- 13.3 All decisions relating to the operation of the Company must be made by, or under the authority of, the Board in accordance with:
- 13.3.1 the Statement of Intent; and
 - 13.3.2 this constitution.

Exercise of powers by Board

- 13.4 The Board may exercise all the powers of the Company which are not required, either by the Act or this constitution, to be exercised by the Shareholders.

Delegation of powers

- 13.5 The Board may delegate to a committee of Directors, a Director, an employee of the Company, or to any other person, any one or more of its powers, other than a power set out in the Second Schedule to the Act.

14 Interested Transactions

Disclosure of interests

- 14.1 A Director must comply with the disclosure requirements of section 140 of the Act but failure to comply with that section does not affect the validity of any contract or arrangement entered into by the Company.

Company's best interests

- 14.2 When exercising powers or performing duties as a Director, a Director must act in what the Director believes to be the best interests of the Company.

Use of Company information

- 14.3 A Director who has information in his or her capacity as a Director or employee of the Company, being information that would not otherwise be available to him or her, must not disclose that information to any person, or make use of or act on the information, except:
- 14.3.1 for the purposes of the Company; or

[Constitution](#) ~~Constitution~~

- 14.3.2 as required by law; or
- 14.3.3 in accordance with clause 14.4 of this constitution; or
- 14.3.4 in complying with clause 14.1 of this constitution.

Procedure for disclosure and use

- 14.4 A Director may disclose, make use of or act on the information if:
 - 14.4.1 particulars of the disclosure, use or act in question are entered in the interests register; and
 - 14.4.2 the Director is first authorised to do so by the Board; and
 - 14.4.3 the disclosure, use or act in question will not, or will not be likely to, prejudice the Company.

15 Indemnity and insurance

Indemnity for Directors

- 15.1 Every Director will be indemnified by the Company for any costs referred to in section 162(3) of the Act and any liability or costs referred to in section 162(4) of the Act.

Indemnities and insurance

- 15.2 In addition to the indemnity set out in clause 15.1, the Company may with the prior written approval of the Board do any of the following:
 - 15.2.1 Indemnify a Director or employee of the Company for any costs referred to in section 162(3) of the Act.
 - 15.2.2 Indemnify a Director or employee of the Company in respect of any liability or costs referred to in section 162(4) of the Act.
 - 15.2.3 Effect insurance for a Director or employee of the Company in respect of any liability or costs referred to in section 162(5) of the Act.

Definitions

- 15.3 Words given extended meanings by section 162(9) of the Act have those extended meanings in this clause 15.

16 Reporting

Half yearly report

- 16.1 Within 2 months after the halfway point of the Company's financial year, the Board must deliver to the Shareholders a report on the Company's operations during that

[Constitution](#) ~~Constitution~~

half year. That report must include the information required to be included by the Company's Statement of Intent.

Annual report

16.2 Within 3 months after the end of the Company's financial year, the Board must deliver to the Shareholders, and make available to the public, a report on the Company's operations during that year. That report must include the information required to be included by:

- 16.2.1 clause 16.3;
- 16.2.2 the Company's Statement of Intent;
- 16.2.3 the Local Government Act 2002; and
- 16.2.4 the Act.

Contents of reports on operations of the Company

16.3 The annual report on the operations of the Company under clause 16.2 must:

16.3.1 contain the information that is necessary to enable an informed assessment of the operations of the Company and its subsidiaries (if any), including:

- (a) a comparison of the performance of the Company and its subsidiaries (if any) with the Statement of Intent;
- (b) an explanation of any material variances between that performance and the Statement of Intent;
- (c) state the dividend (if any) authorised to be paid or the maximum dividend proposed to be paid by the Company for its equity securities (other than fixed interest securities) for the financial year to which the report relates;

16.3.2 include audited consolidated financial statements for that financial year for that organisation and its subsidiaries;

16.3.3 include an auditor's report on:

- (a) those financial statements; and
- (b) the performance targets and other measures by which performance was judged in relation to the Company's objectives.

16.4 The audited financial statements under clause 16.3.2 must be prepared in accordance with generally accepted accounting practice.

Protection from disclosure of sensitive information

16.5 Nothing in this clause 16 requires the inclusion in any Statement of Intent, annual report, financial statement, or half yearly report required to be produced under this

Constitution Constitution

constitution by the Company of any information that may be properly withheld if a request for that information were made under the Local Government Official Information and Meetings Act 1987.

Statement of Intent

- 16.6 Without limiting the obligations of the Board and the Company under the Local Government Act 2002 in respect to the Company's Statement of Intent, the Board must:
- 16.6.1 deliver to the Shareholders a draft Statement of Intent on or before 1 March each year;
 - 16.6.2 consider any comments on the draft Statement of Intent that are made to it within 2 months of 1 March by the Shareholders or by any one of them; and
 - 16.6.3 deliver the completed Statement of Intent to the Shareholders on or before 30 June each year.
- 16.7 The Shareholders must each make a decision as to whether or not to approve the Statement of Intent and to provide modifications to each Statement of Intent within the time limits prescribed by the Local Government Act 2002 (or such earlier limits agreed to) so as to enable the Company to comply with applicable time limits.

17 Auditor

- 17.1 So long as the Company remains a Council Controlled Organisation, the Auditor-General shall be the auditor of the Company, and of every subsidiary of the Company (if any) and shall have all of the functions, duties and powers:
- 17.1.1 of an auditor appointed under the Act; and
 - 17.1.2 that the Auditor-General has under the Public Audit Act 2001.

18 Official information

- 18.1 Parts 1 to 6 of the Local Government Official Information and Meetings Act 1987 apply to the Company as if it were a local authority under that act.
- 18.2 The Ombudsman Act 1975 applies to the Company as if the Company were listed in Part 3 of the First Schedule of that act.

19 Dividends

Power to authorise

- 19.1 The Board may, subject to the Act and this constitution, authorise the payment of dividends by the Company at times, and of amounts, and in such form as it thinks fit

[Constitution Constitution](#)

and may do everything that is necessary or expedient to give effect to the payment of such dividends. Prior to authorising the payment of a dividend, the Board must be satisfied on reasonable grounds that the Company will immediately after payment of the dividend satisfy the solvency test.

Deductions

- 19.2 The Board may deduct from dividends payable to any Shareholder in respect of any Shares any of the following:
- 19.2.1 Unpaid calls, instalments or other amounts, and any interest payable on such amounts, relating to the specific Shares.
 - 19.2.2 Amounts the Company may be called upon to pay under any legislation in respect of the specific Shares.

Entitlement Date

- 19.3 Dividends and other Distributions or payments to Shareholders will be payable to the persons who are registered as Shareholders on an entitlement date fixed by the Board.

Unclaimed dividends

- 19.4 Dividends or other monetary Distributions unclaimed for one year after having been authorised may be used for the benefit of the Company until claimed. All dividends or other monetary Distributions unclaimed for 5 years after having been authorised may be forfeited by the Board for the benefit of the Company. The Board may, nevertheless, agree to pay a claimant who produces evidence of entitlement.

20 Method of contracting

Deeds

- 20.1 A deed to be entered into by the Company may be signed on behalf of the Company by any of the following:
- 20.1.1 By 2 or more Directors of the Company.
 - 20.1.2 A Director, or other person or persons authorised to do so by the Board, whose signature or signatures must be witnessed.
 - 20.1.3 One or more attorneys appointed by the Company in accordance with section 181 of the Act.

Written contracts

- 20.2 An obligation or contract, which is required by law to be in writing and any other written obligation or contract which is to be entered into by the Company, may be signed on behalf of the Company by a person acting under the Company's express or implied authority.

[Constitution Constitution](#)

Other contracts

- 20.3 An obligation or contract may be entered into on behalf of the Company orally by a person acting under the Company's express or implied authority.

21 Definitions and Interpretation

Definitions

- 21.1 In this constitution the following definitions apply:

Act means the Companies Act 1993 as amended from time to time.

Auditor-General means the Controller and Auditor-General appointed under the Public Audit Act 2001.

Board in relation to the Company means those Directors who number not less than the required quorum acting together as a board of directors.

Board Skills Matrix means the board skills matrix set out in Schedule 1 of the [Shareholders' Agreement](#).

Class means a class of Shares having attached to them identical rights, privileges, limitations and conditions.

Class A Shareholders means the holders of the Class A Shares.

Class A Shares means Shares in the Company entitling the holder of those Shares to vote at a meeting of the Shareholders on any resolution pursuant to clause 2.1. No other rights or obligations attach to the Class A Shares.

Class B Shareholders means the holders of the Class B Shares.

Class B Shares means Shares in the Company entitling the holder to an equal share in any dividends authorised by the Board and an equal share in the Distribution of surplus assets of the Company pursuant to clause 2.2. No other rights or obligations attach to the Class B Shares.

Company means Wellington Water Limited.

Council Controlled Organisation has the meaning given to that term by the Local Government Act 2002.

Director means a person appointed as a director of the Company in accordance with this constitution.

Distribution has the meaning set out in section 2(1) of the Act.

Independent Director means a Director appointed by the Shareholders jointly by agreement and who is neither a member (including Councillors and Mayors) of nor a

Constitution Constitution

person employed by any local authority (as defined under the Local Government Act 2002).

Local Authority has the meaning given to that term by the Local Government Act 2002.

Representative means a person appointed as a Shareholder's Representative under clause 9.5.

Share means a share issued, or to be issued, by the Company including Class A Shares and Class B Shares.

Shareholder means a person whose name is entered in the share register of the Company as the holder for the time being of one or more Shares.

Shareholders' Agreement means any Shareholders' Agreement between the Shareholders of the Company governing the conduct of the Shareholders in relation to the Company that is notified by the Shareholders to the Board, as amended from time to time.

Special Resolution means a resolution approved by 75% of those Class A Shareholders entitled to vote and voting on the resolution.

Statement of Intent means each statement of intent to be completed by the Board in terms of the Local Government Act 2002.

Water Services has the meaning given that term by the Local Government Act 2002.

Interpretation

21.2 In this constitution, unless the context otherwise requires:

- 21.2.1 Except as specified in clause 21.1, words or expressions used in this constitution that are defined in the Act or the Local Government Act 2002 have the meaning given by the applicable act.
- 21.2.2 A reference to writing includes facsimile and electronic communications resulting in visible reproduction.
- 21.2.3 An expression referring to a natural person includes a company, trust, partnership, association, body corporate, Local Authority, Council Controlled Organisation or public authority.
- 21.2.4 A reference to any legislation or to any provision of any legislation (including regulations and orders) includes:
 - (a) that legislation or provision as from time to time amended, re-enacted or substituted; and
 - (b) any statutory instruments, regulations, rules and orders issued under that legislation or provision.

Constitution Constitution

21.2.5 A reference to a clause, part, schedule or attachment is a reference to a clause, part, schedule or attachment of or to this constitution.

21.2.6 A reference to the word 'include' or 'including' is to be construed without limitation.

21.2.7 A reference to a working day means a day other than a Saturday or Sunday on which banks are open for business generally in Wellington, New Zealand.

Conflict between the Act and this constitution

21.3 If there is any conflict between:

21.3.1 a provision in this constitution and a mandatory provision in the Act or the Local Government Act 2002; or

21.3.2 a word or expression defined or explained in the Act or the Local Government Act 2002 and a word or expression defined or explained in this constitution,

the provision, word or expression in the applicable act prevails.

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Schedule 3

Form of Wellington Water Committee Terms of Reference

Wellington Water Committee

Purpose

The Wellington Water Committee ("the Committee") is established to:

- ~~Provide governance oversight of the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the areas of Lower Hutt City, Porirua City, Upper Hutt City and Wellington City ("the four cities");~~
- ~~Provide governance and leadership across issues which are related to the planning, delivery and management of water services to communities serviced by Wellington Water Limited;~~
- Provide governance oversight of Wellington Water Limited; ~~and, including by exhibiting good governance practice;~~
- Provide a forum for the representatives of Wellington Water Limited's shareholders (~~being Wellington Regional Council and the local authorities for the four cities~~) (~~"the Shareholders"~~) and mana whenua to meet, discuss and co-ordinate on relevant issues and, through their representatives, to exercise their powers; ~~and~~

Status

- ~~The Committee is a joint committee of the Lower Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council and Wellington Regional Council. Strive for consistency across all client councils so all customers receive a similar level of service.~~

Specific responsibilities

The Committee's responsibilities are:

Governance oversight responsibilities

~~Governance~~ Shareholder or mana whenua stakeholder governance oversight of Wellington Water Limited and of the network infrastructure for the delivery of bulk water, water reticulation, wastewater and stormwater services in the geographical areas of the four cities Wellington Water Limited's operations, including by:

- Receiving and considering the half-yearly and annual reports of Wellington Water Limited;

- Receiving and considering such other information from Wellington Water Limited as the Committee may request on behalf of the [Shareholders parties to the Shareholders' Agreement](#) and/or receive from time to time;
- Undertaking performance and other monitoring of Wellington Water Limited;
- Considering and providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) on proposals from Wellington Water Limited;
- Providing co-ordinated feedback, and recommendations as needed, on any matters requested by Wellington Water Limited or any [Shareholder of the parties to the Shareholders' Agreement](#);
- Providing recommendations to the [parties to the Shareholders' Agreement regarding regional studies which the Shareholders regarding the relevant network infrastructure owned by each Shareholder need to be cognisant of](#);
- Providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) regarding water conservation;
- Agreeing the annual Letter of Expectation to Wellington Water Limited;
- Receiving, considering and providing agreed feedback and recommendations to Wellington Water Limited on its draft statement of intent;
- Receiving, considering and providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) regarding Wellington Water Limited's final statement of intent.
- Agreeing when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required, without prejudice to Shareholder and ~~board~~[Board](#) rights to call meetings under Wellington Water Limited's constitution [and](#);
- Seeking and interviewing candidates for Wellington Water Limited's ~~board~~[Board](#) as needed and approving director appointments and/or removals;
- Approving the remuneration of directors of Wellington Water Limited;
- Monitoring the performance of the ~~board~~[Board](#) of Wellington Water Limited; and
- Providing recommendations to the [Shareholders parties to the Shareholders' Agreement](#) regarding changes to these terms of reference, the Shareholders' Agreement and the constitution of Wellington Water Limited.

[Shareholders' responsibilities](#)

~~To the extent that each Shareholder delegates its relevant powers to the Committee member it appoints, the Committee will provide a forum for the Shareholders to meet and exercise their powers in relation to Wellington Water Limited.~~

Membership

The membership of the Committee will ~~total five persons, be~~ as follows: specified in the Shareholders' Agreement.

- ~~• One member appointed by Hutt City Council;~~
- ~~• One member appointed by Porirua City Council;~~
- ~~• One member appointed by Upper Hutt City Council;~~
- ~~• One member appointed by Wellington City Council; and~~
- ~~• One member appointed by Wellington Regional Council.~~

~~Each~~With the exception of the Committee Members nominated by the Mana Whenua Partners Entities, each appointee must be an elected member of the appointing Shareholder.

Chairperson

The Chairperson and Deputy Chairperson will be elected by the Committee once all Committee members have been appointed.

Quorum

For a meeting of the Committee to have a quorum, ~~three members~~a majority of Committee Members, or their appointed ~~alternates~~Alternates, must be present ~~; and the number making up the majority must include at least an equal number of Shareholder appointed Committee Members as MWPE nominated Committee Members.~~

Where the Committee is providing a forum for the Shareholders to meet and exercise their powers in relation to Wellington Water Limited, the requirements of Wellington Water Limited's constitution will prevail.

[Note: Clause 11.3 of the company's constitution provides that Directors shall be appointed and removed by the unanimous resolution of the ~~shareholders~~Shareholders. For this matter the quorum is therefore all ~~five members~~ Committee Members (or their ~~alternates.~~Alternates).]

Alternates

Each ~~member~~Committee Member appointed to the Committee must have an ~~alternate appointed by the relevant Shareholder. The alternate may attend and vote at meetings of the Committee, but only in the event that the primary member is unable to do so.~~Alternate.

Decision-making

The Committee will strive to make all decisions by consensus.

In the event that a consensus on a particular matter before the Committee is not able to be reached, each ~~member of the~~ Committee Member has a deliberative vote. In the situation where there is an equality of votes cast on a matter, the Chairperson does not have a casting vote and therefore the matter subject to the vote is defeated and the status quo is preserved.

Other than for those matters for which the Committee has effective decision-making capacity through these ~~terms~~[Terms](#) of ~~reference~~[Reference](#), each Shareholder retains its full powers to make its own decisions on matters referred to it by the Committee [and on matters specified in Part 1 of Schedule 2 to the Shareholders' Agreement](#).

Standing Orders

The ~~Wellington Regional Council's~~ Standing Orders [of the party providing secretariat services to the Committee](#) apply, subject to the provisions for meeting quorum and decision making as set out in these terms of reference taking precedence.

Remuneration

Each Shareholder will be responsible for remunerating its representative on the Committee, [and their Alternate](#), for any costs associated with that person's membership ~~of~~[on](#) the Committee.

[Wellington Water Limited will be responsible for remunerating the Committee Members nominated by Mana Whenua Partner Entities, and their Alternates, for any costs associated with those persons' membership on the Committee.](#)

Administration

Reports to be considered by the Committee may be submitted by any of the Shareholders, [any of the Mana Whenua Partner Entities](#), or Wellington Water Limited.

Duration of the Committee

In accordance with clause 30(7) of Schedule 7 to the Local Government Act 2002, the Committee is not deemed to be discharged following each triennial election.

Appendix

Common delegations

Governance oversight responsibilities

- Each Shareholder will delegate to the Committee the responsibilities and powers necessary to participate in and carry out the Committee's governance oversight responsibilities.

Shareholders' responsibilities

- Each Shareholder will delegate to its appointed Committee ~~member~~Member and, in accordance with these terms of reference, that person's ~~alternate~~Alternate, all responsibilities and powers in relation to the agreement of:
 - when Shareholder meetings, or resolutions in lieu of Shareholder meetings, are required (without prejudice to Shareholder and Board rights to call meetings under Wellington Water Limited's constitution); and
 - the appointment, removal and remuneration of Wellington Water Limited's directors.



Report 19.144
Date 4 April 2019
File RMPOL-965945108-24

Committee Council
Author Stephen Thawley, Project Leader, Environmental Regulation

Review of the Resource Management Charging Policy

1. Purpose

To seek Council approval to release, for consultation, proposed amendments to the Resource Management Charging Policy.

2. Background

The Resource Management Charging Policy 2015 (the Policy) for Greater Wellington Regional Council (GWRC) contains our regime of resource management charges for the Wellington Region. The current structure of the Policy and its overall approach has been in place since 1997.

Charges are required to be fixed using the special consultative procedure as set out in the Local Government Act 2002. This procedure involves issuing a statement of proposal which must be adopted by the Council.

3. Outcomes of review of the Policy

The review of the Policy this year has resulted in some proposed changes to the Policy.

3.1 Principles of charging unaltered

The Policy sets out a number of underlying principles for determining charges. These remain unaltered as they have stood the test of time since the adoption of GWRC's original policy in 1997. We receive very few formal objections (average one per year) to resource management charges made under the Policy by comparison with other regional councils.

3.2 Consent processing charges

3.2.1 Charge out rate

For some years we have made small incremental increases to the hourly charge out rate to fairly reflect inflation and costs of running our regulation services, without imposing significant one-off costs increases to applicants and consent

holders. Typically these increases have been at a rate of an additional \$5 per hour every review (i.e. every 2 years). As it is now 4 years since our last review, an increase of \$10 per hour is proposed for our consent processing and compliance monitoring services as well as our technical/science expert services. The increases are in line with changes in CPI and national salary movement for roles undertaking this work. Accordingly, the following changes to the rates are proposed:

	Current rate	Proposed rate
Resource management services including consent registration, database entry, and notified consent processing support	\$105 per hour	\$110 per hour
Consent processing and compliance monitoring services including assessment of consent applications, decision recommendations, monitoring of consent conditions	\$120 per hour	\$130 per hour
Technical or science expert services for technical and/or science expert advice on consent applications or compliance monitoring	\$135 per hour	\$145 per hour

All rates above are exclusive GST

The proposed \$130 per hour rate for consent processing and compliance monitoring services is approximately at the mid-point of other Regional Council charge out rates for similar services.

3.2.2 Fixed application fees

Minor adjustments have been made for the majority of our fixed non-notified application fees. A significant increase is proposed for land use consents for bore construction. These consents have historically had our lowest fixed charge; however, we are finding that more consideration of these activities is now required in the wake of Havelock North contamination outbreak in 2016. A new fixed fee applies for transferring a consent when a property changes ownership. Fixed fees for resource consent applications are set around the median processing costs. We always recover actual and reasonable costs (as enabled by the Resource Management Act), resulting in some applicants receiving a refund, and others receiving an additional charge.

3.3 Consent monitoring charges

At present, all consents receive a Consent Monitoring Charge. This charge is made up of three components:

- Customer service charge (a fixed charge covering costs incurred for keeping up to date consent records, providing information and advice to consent holders, and other administration costs for maintaining consents)
- Compliance monitoring charge (a fixed or variable charge for staff time spent monitoring consents)

- State of the environment monitoring charge (a fixed or variable charge covering a proportion of costs incurred for environmental monitoring and investigations)

3.3.1 Customer service charge

The customer service charge for every consent will not change and will remain at \$40/year.

3.3.2 Compliance monitoring charges

When the Policy was last reviewed in 2015, we initiated at the same time a Strategic Compliance Monitoring Programme. A strategic compliance approach focuses on increasing monitoring for high risk consents, and reducing or stopping monitoring on low risk consents. This approach has served us well with improved rates of compliance being observed in higher risk activities.

Charges for many activities we monitor are variable from year to year and are based on the actual and reasonable time spent monitoring those activities. There are still some activities which receive fixed monitoring charges e.g. dairy discharges and water takes. This ensures that all consent holders undertaking these activities receive the same charge.

Both our variable and fixed monitoring charges are working well and only minor adjustments are required to be made e.g. to reflect the proposed change to the charge out rate and minor changes to strategic compliance monitoring practice.

3.3.3 State of the environment (SOE) monitoring charges

Significant changes were made in 2013 to SOE monitoring charges, which resulted in the charges being phased in over a five year period through to 2018. Since 2013 there have been changes to our Environmental Science programmes and so a review of SOE monitoring charges is appropriate to reflect current programmes and associated costs.

GWRC's Revenue and Funding Policy identifies that 10-20% of the costs of Environmental Science programmes should be recovered as user charges i.e. SOE monitoring charges. The current budget for Environmental Science programmes is \$9.9 million. Accordingly, SOE monitoring charges should be set to recover between \$1 million to \$2 million approximately. At the present time \$1.05 million revenue is generated from SOE monitoring charges.

At a Council workshop on 8 March 2019, a series of options was presented on the quantum of SOE monitoring charges that should be recovered under the Policy. Options ranged from \$1.05 million (no change) to \$1.5 million (42.9% increase). A further option to recover \$1.25 million was also provided. This is 12.6% of the total Environmental Science budget and would result in an average 19% increase in SOE monitoring charges. A summary of the average increase in SOE monitoring charges for various consent types is shown below:

Consent type	No. of consents	Current ave. cost	Proposed ave. increase	Proposed ave. cost
Land use	61	\$100	\$25	\$125
Surface water takes	380	\$826	\$315	\$1141
Groundwater takes	228	\$431	\$80	\$511
Discharges to water	154	\$1390	\$160	\$1550
Discharges to land	412	\$496	\$71	\$567
Discharges to air	162	\$156	\$100	\$256

A review of management zones for water takes (groundwater and surface water) and their associated allocation status (low, medium, or high) has been completed. This has resulted in some management zones changing allocation classification. With reclassification of management zones, some SOE monitoring charges will increase more markedly whilst some consent holders will receive a reduced SOE monitoring charge.

3.4 Other charges

3.4.1 Charges associated with permitted activities

Since the Policy was last reviewed two new RMA instruments anticipate Councils charging for services undertaken. This includes:

1. Deemed permitted activities
2. Some permitted activities in a National Environmental Standard (NES)

Changes to the Policy provide a mechanism for GWRC to charge any actual and reasonable costs for undertaking compliance monitoring of these permitted activities. This will most likely be implemented in the forestry sector as many activities undertaken in this sector are permitted under the NES for Plantation Forestry.

3.4.2 Pre-application service

The current Policy provides for up to one hour of free pre-application advice. We are proposing to extend this service to provide up to 4 hours advice if it involves any of the following:

- Initial pre-application meeting; and/or
- Site visit; and/or
- Follow up advice following meeting and/or site visit

This will not cover reviewing draft applications.

The extension of our pre-application service confirms current general practice. Since 2015, we have focussed more on our pre-application service as good quality advice (and associated time/cost) often results in a higher standard of

applications being submitted. This in turn fosters a more efficient and effective consent processing service where applicants are engaged and connected to relevant Council staff from the outset.

3.4.3 Minor changes

A number of other minor inconsequential changes are proposed.

4. Communication and engagement activities

The special consultative procedure and associated consultation period where views and submissions will be invited runs for one month from late April – late May 2019. Submitters will have the opportunity to speak to their submissions to a hearing committee which is proposed to be appointed to consider submissions. Consultation and engagement will involve:

- Placing the proposed amendments to the Resource Management Charging Policy (Statement of Proposal), **Attachment 1** on our website www.gw.govt.nz/haveyoursay along with the full Policy
- Notifying all consent holders who presently incur consent monitoring charges and all recent consent applicants/agents of the proposed amendments to the Resource Management Charging Policy
- Preparing FAQs to enable the general public and consent holders/applicants to gain an easy understanding of what is proposed
- Placing a public advertisement in relevant local newspapers
- Issuing a media release and social media posts as appropriate.

People can either make a written submission on the proposed amendments to the Policy or alternatively express their views with verbal submissions to specified officers. To enable this to occur it is recommended that specified officers be delegated the authority to hear and transcribe these verbal submissions if requested.

5. Consideration of climate change

The matters requiring decision in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

5.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matter on the climate. Officers recommend that the matter will have no effect. Officers note that the matter does

not affect the Council's interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI)

5.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to the matter. Officers recommend that climate change has no bearing on the matter.

6. The decision-making process and significance

The subject matter of this report is part of a decision-making process that will lead to the Council making a decision of low significance within the meaning of the Local Government Act 2002. The decision-making process is explicitly prescribed for by the special consultative procedure under section 83 of the Local Government Act 2002.

6.1 Engagement

The special consultative procedure under section 83 of the Local Government Act 200 is required to be applied for proposed amendments to the Resource Management Charging Policy.

7. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Approves the Statement of Proposal (Attachment 1) and Summary of Information (Attachment 2) for the proposed amendments to the Resource Management Charging Policy.*
4. *Notes the submission period from late April to late May 2019 and the proposed consultation and engagement activities.*
5. *Delegates to the following officers the authority to receive verbal submissions on the proposed amendments to the Resource Management Charging Policy: Shaun Andrewartha, Manager Environmental Regulation; Stephen Thawley, Project Leader Environmental Regulation.*

Report prepared by:

Stephen Thawley
Project Leader, Environmental
Regulation

Report approved by:

Shaun Andrewartha
Manager, Environmental
Regulation

Report approved by:

Al Cross
General Manager,
Environment Management

Attachment 1: Draft Statement of Proposal

Attachment 2: Draft Summary of Information

Statement of Proposal

Proposed Amendments to the Resource Management Charging Policy

1. Purpose

The purpose of this document is to inform the public and seek feedback on the proposed amendments to the Resource Management Charging Policy for Greater Wellington Regional Council (GWRC).

2. Background

GWRC's Resource Management Charging Policy (the Policy) contains a regime of resource management charges for the Wellington region including:

- Resource consent application charges
- Consent monitoring charges
- Other charges relating to the Resource Management Act 1991
- Charges for work relating to dams under the Building Act 2004

GWRC undertakes a wide variety of regulatory functions relating to resource management activities including processing resource consents, undertaking compliance monitoring of consent conditions, monitoring the state of our environment, and responding to resource management incidents. The Policy adopts a beneficiary pays principle whereby those who benefit from using natural and physical resources are expected to pay the full costs of that use.

The current structure of the Policy and its overall approach has been in place since 1997. The last change to the Policy was in 2015.

The charges in the Policy are made under section 36 of the Resource Management Act 1991, section 150 of the Local Government Act 2002, and section 243 of the Building Act 2004. The charges are consistent with GWRC's Revenue and Funding Policy.

3. Proposal

A review has been completed of the Policy. As a result, there are key outcomes which have resulted in some proposed changes to the Policy. A full copy of the proposed Policy and current Policy can be viewed on our website www.gw.govt.nz/fees.

3.1 Principles of charging unaltered

The Policy sets out a number of underlying principles for determining charges. These remain unaltered.

3.2 Consent processing charges

Changes are proposed to the hourly charge-out rate for GWRC staff as follows:

	Current rate	Proposed rate
Resource management services including consent registration, database entry, and notified consent processing support	\$105 per hour (excl. GST)	\$110 per hour (excl. GST)
Consent processing and compliance monitoring services including assessment of consent applications, decision recommendations, monitoring of consent conditions	\$120 per hour (excl. GST)	\$130 per hour (excl. GST)
Technical or science expert services for technical and/or science expert advice on consent applications or compliance monitoring	\$135 per hour (excl. GST)	\$145 per hour (excl. GST)

Other key changes are being made are:

1. Land use consent applications for bore construction – the cost of processing these applications has increased as further scrutiny on these types of applications has been required since the Havelock North contamination outbreak.
2. Introducing a fixed application fee for transferring a consent when property ownership changes. Previously there was no charge for this service, however a standard charge of \$110 is proposed to apply.

Minor adjustments are made to all other non-notified initial fixed application fees to reflect the proposed charge out rate and the approximate median cost of processing particular consent types.

3.3 Consent monitoring charges

Currently all consents receive a Consent Monitoring Charge. This charge is made up of three components:

- Customer service charge (a fixed charge covering costs incurred for keeping up to date consent records, providing information and advice to consent holders, and other administration costs for maintaining consents)
- Compliance monitoring charge (a fixed or variable charge for staff time spent monitoring consents)
- State of the environment monitoring charge (a fixed or variable charge covering a proportion of costs incurred for environmental monitoring and investigations)

3.3.1 Customer service charge

The **customer service charge** for every consent will not change and will remain at \$40/year.

3.3.2 Compliance monitoring charge

No significant changes are proposed to **compliance monitoring charges**. Since the last review in 2015, GWRC has been operating within a Strategic Compliance Monitoring Framework. This approach has increased monitoring for high risk consents, and reduced or stopped monitoring on low risk consents. This has resulted in more consents receiving variable charges based on the actual and reasonable cost of monitoring a consent. Fixed charges are applied to consent activities where there is a standard monitoring practice undertaken across a large number of consents. Both our variable and fixed monitoring charges are working well and only minor adjustments are being made to reflect the proposed change in charge out rate.

3.3.3 State of the environment (SOE) monitoring charge

State of the environment monitoring (SOE) charges have not been reviewed since 2013. A review has been completed as consent types/numbers have changed as well as environmental monitoring activities and their associated costs that benefit those consent types. The review highlighted that the Environmental Science programme and associated budget has increased significantly over the past 6 years, however the number of consents activities subject to SOE monitoring charges had marginally declined.

It is proposed to recover \$1.25 million of SOE monitoring charges from consent holders. GWRC's Revenue and Funding Policy requires that 10-20% of Environmental Science activities are recovered as user charges (i.e. SOE monitoring charges). The proposed recovery of \$1.25 million is 12.6% of the cost of Environmental Science activities.

The proposed \$1.25 million recovery will affect consent holders in the following way:

Consent type	No. of consents	Current ave. cost	Proposed ave. increase	Proposed ave. cost	Proposed % increase
Land use	61	\$100	\$25	\$125	25%
Surface water takes	380	\$826	\$315	\$1141	38%
Groundwater takes	228	\$431	\$80	\$511	19%
Discharges to water	154	\$1390	\$160	\$1550	12%
Discharges to land	412	\$496	\$71	\$567	14%
Discharges to air	162	\$156	\$100	\$256	64%

The most significant increase is for consent holders who discharge contaminants to air and take surface water. The lowest increase is for consent holders who discharge contaminants to land or water.

A review of management zones for water takes (groundwater and surface water) and their associated allocation status (low, medium, or high) has been completed. This has resulted in some management zones changing allocation classification. With

reclassification of management zones, some SOE monitoring charges will increase more markedly whilst some consent holders will receive a reduced SOE monitoring charge.

3.4 Other charges

Two new charges are proposed for services associated with considering and monitoring deemed permitted activities, and monitoring permitted activities identified in a National Environment Standard (NES). A fixed charge of \$390 (exc. GST) applies for considering deemed permitted activities. Variable charges for monitoring permitted activities associated with an NES will apply. The most frequent example where this will occur will be in the forestry sector where many companies operate under permitted activities identified in the NES for Plantation Forestry.

GWRC is extending its pre-application service (currently limited to 1 hour) to provide up to 4 hours advice for any work associated with a pre-application meeting, site visit, and/or follow up advice. This does not include reviewing draft applications.

4. Reasons for the proposal

4.1 Consent processing charges

The existing charge out rates have been fixed since 2015. The proposed changes to the charge out rate are consistent with the range of resource management services provided. The charge out rate for consent processing services is approximately at the mid-point of other Regional Council charge out rates for similar services. The proposed changes are also consistent with national salary market movement and CPI changes since 2015.

A change to the fixed application fee for a land use consent for bore construction ensures that fee now reflects the median cost of processing this consent type. The new fixed charge for transferring a consent is consistent with our user pays philosophy as the new/old consent holder(s) are the direct benefactor of undertaking this work.

4.2 State of the environment (SOE) monitoring charges

The costs of our Environmental Science activities have changed since the last review of SOE charges in 2013. These charges were phased in over a 5 year period until 2017-2018. It is now considered an appropriate time to review the charges set in 2013.

If the same principles from 2013 for determining SOE charges for consent holders were applied using current budgets, the total recovery from consent holders would increase from approximately \$1.05 million to \$1.5 million. With consent numbers marginally less this would create a significant burden on existing consent holders.

The proposed recovery of \$1.25 million is 12.6% of the total cost of Environmental Science activities. The proposed amount sits in the lower part of the range of 10-20% identified in GWRC's Revenue and Funding Policy. GWRC believes that the proposed recovery reflects an appropriate balance of users pays and what costs of Environmental Science activities should be borne by the regional ratepayer.

4.3 Other charges

New charges associated with permitted activities are due to new RMA instruments coming into force since the Policy was last reviewed in 2015. The charges proposed are consistent with charges for similar activities and services in the Policy

The extension of our pre-application service confirms current general practice. Since 2015, we have focussed more on our pre-application service as good quality advice (and associated time/cost) often results in higher standard of application being submitted. This in turn fosters a more efficient and effective consent processing service where applicants are engaged and connected to relevant Council staff from the outset.

4.4 Assessment of options and cost

The current structure and underlying principles of the Policy have been in place since 1997 and is consistent with other regional councils. Any alternative options for funding GWRC's regulatory functions would be contrary to the beneficiary pays principle reflected in section 36 of the Resource Management Act 1991.

5. Consultation and submission process

The consultation period where views and submissions are invited on the proposed amendments to the Policy is from XX April - XX May 2019. You can have your say on the proposed amendments to the Policy by providing either written or verbal submissions.

Written comments and submissions on the proposed amendments to the Resource Management Charging Policy are invited to be received by GWRC by 5pm, XX May 2019. Written submissions need include your name and contact details and can be completed in the following ways:

- **By post** to P O Box 11-646, Wellington or P O Box 41, Masterton
- **By e-mail** to notifications@gw.govt.nz
- **By hand** to our offices at Shed 39, 2 Fryatt Quay, Pipitea, Wellington; or 35-37 Chapel St, Masterton.

Verbal submissions can be provided by making an appointment with Shaun Andrewartha, Manager Environmental Regulation (shaun.andrewartha@gw.govt.nz); or Stephen Thawley, Project Leader Environmental Regulation (stephen.thawley@gw.govt.nz).

Submitters are requested to indicate in their submission if they wish to be heard in person to support their submission. Submissions may be made publicly available. If you are making a submission as an individual, GWRC will consider removing your personal details if you so request in your submission.

Summary of Information - Greater Wellington Regional Council's Proposed Resource Management Charging Policy (2019)

Greater Wellington Regional Council has reviewed its Resource Management Charging Policy ("the Policy"). The Policy sets out a regime for resource management charges for the Wellington region including:

- Resource consent application charges
- Consent monitoring charges
- Other charges relating to the Resource Management Act 1991
- Charges for work relating to dams under the Building Act 2004

The charges in the Policy are made either in accordance with section 36 of the Resource Management Act 1991, section 150 of the Local Government Act 2002, and section 243 of the Building Act 2004. The charges are consistent with Greater Wellington Regional Council's Revenue and Funding Policy.

The review has resulted in some key proposed changes to the Policy including:

- Changes to our charge-out rates for providing resource management services as follows:

	Current rate	Proposed rate
Resource management services including consent registration, database entry, and notified consent processing support	\$105 per hour (excl. GST)	\$110 per hour (excl. GST)
Consent processing and compliance monitoring services including assessment of consent applications, decision recommendations, monitoring of consent conditions	\$120 per hour (excl. GST)	\$130 per hour (excl. GST)
Technical or science expert services for technical and/or science expert advice on consent applications or compliance monitoring	\$135 per hour (excl. GST)	\$145 per hour (excl. GST)

- Changes to state of the environment (SOE) monitoring charges to reflect current costs of Environmental Science activities and current consent types and activities
- Minor changes to fixed application fees and other charges to reflect the proposed charge out rate

A copy of the Statement of Proposal and the Policy can be viewed on our website www.gw.govt.nz/fees. The consultation period for the proposed changes is XX April – XX May 2019.

Written comments and submissions on the proposed Resource Management Charging Policy (2019) are invited to be received by GWRC by 5pm, XX May 2019. Written submissions need include your name and contact details and can be completed in the following ways:

- **By post** to P O Box 11-646, Wellington or P O Box 41, Masterton
- **By e-mail** to notifications@gw.govt.nz
- **By hand** to our offices at Shed 39, 2 Fryatt Quay, Pipitea, Wellington; or 35-37 Chapel St, Masterton.

Verbal submissions can be provided by making an appointment with Shaun Andrewartha, Manager Environmental Regulation (shaun.andrewartha@gw.govt.nz); or Stephen Thawley, Project Leader Environmental Regulation (stephen.thawley@gw.govt.nz).

Report 19.110
Date 26 March 2019
File CCAB-8-2176

Committee Council
Author Cr Chris Laidlaw, Council Chair

2019 Local Government New Zealand national conference and Annual General Meeting

1. Purpose

To seek approval for Councillor attendance at the 2019 Local Government New Zealand (LGNZ) national conference and Annual General Meeting (AGM), and delegated authority for Council representatives to act as delegates at the Annual General Meeting.

2. Background

The 2019 LGNZ national conference and AGM will be held in Wellington from 7 July to 9 July. Greater Wellington Regional Council is entitled to have four delegates (including officers) at the AGM and must nominate:

- the Presiding Delegate (the person responsible for voting on behalf of the Council at the AGM)
- one or more Alternate Delegates (person/s responsible for voting on behalf of the Council if the Presiding Delegate is absent from the AGM).

It is normal procedure for this council to send the Chair, the Chief Executive, and either one or two other councillors as delegates.

3. Communication

The Council's decision will be communicated to LGNZ.

4. Consideration of climate change

The matters requiring decision in this report have been considered in accordance with the process set out in the GWRC Climate Change Consideration Guide.

4.1 Mitigation assessment

The matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI)

4.2 Adaptation assessment

The impacts of climate change in relation to the matter have been considered. It is recommended that climate change be considered to have no bearing on the matter.

5. The decision-making process and significance

The matter requiring decision in this report has been considered against the requirements of Part 6 of the Local Government Act 2002.

5.1 Significance of the decision

The significance of the matter has been considered, taking into account the Council's significance policy and decision-making guidelines. Due to the procedural nature of this decision it is recommended that the matter be considered to have low significance.

A formal record outlining consideration of the decision-making process is not required in this instance.

5.2 Engagement

Engagement on this matter is unnecessary,

6. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Approves the attendance of Councillors Laidlaw, Blakeley, Brash and Donaldson, and Greg Campbell, Chief Executive, at the 2019 LGNZ national conference and Annual General Meeting.*
4. *Nominates Councillor Laidlaw as the Presiding Delegate for voting on behalf of the Council at the 2019 LGNZ Annual General Meeting.*
5. *Nominates Councillors Blakeley, Brash and Donaldson, and Greg Campbell, Chief Executive, as Alternate Delegates for voting on behalf of the Council at the 2019 LGNZ Annual General Meeting if Councillor Laidlaw is absent from the Annual General Meeting.*

Report prepared by:

Cr Chris Laidlaw
Council Chair

Report 19.56
Date 1 April 2019
File CCAB-8-2193

Committee Council
Author Graeme Burnett - Senior Health, Safety & Wellbeing Advisor
Mike Ward, Senior Health, Safety & Wellbeing Advisor
Rachael Meikle, Health, Safety & Wellbeing Advisor

Health, Safety and Wellness update

1. Purpose

To inform Council on the health, safety and wellbeing performance of the organisation and associated activities.

2. Background

During the period from 1 February 2019 to 31 March 2019, a total of 107 health, safety and wellbeing-related events were recorded in Keeping Everyone Safe at Work (KESAW). Of these events, 89 related directly to activities of our staff. The other 18 related to reported events that did not involve GWRC controlled work or activity – e.g. public in parks, contractors or other third party activity on our land. GWRC have either become involved in the response to the situation or have expressed direct interest in the investigations finding of the involved parties.

The following table is a breakdown of the events by outcome.

Event type	February – March 2019
Total Events Reported	107
Fatalities	0
Lost Time Injuries (LTI)	0
Medical Treatment Injuries (MTI)	0
First Aid/Pain & Discomfort	23
Property damage	19
Near miss & hazard id reports	47
Other (not involving GW)*	18

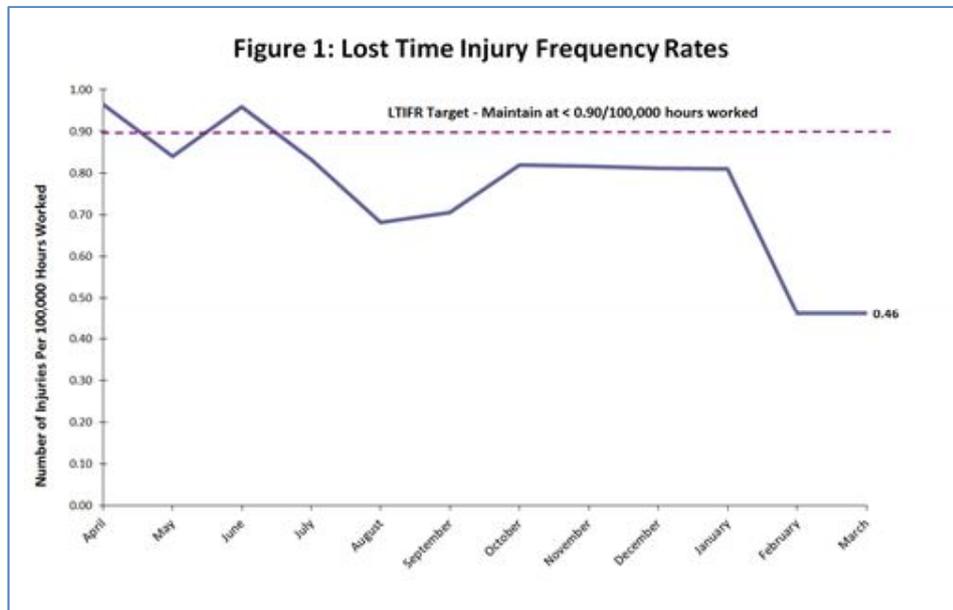


Note*: These are reported events that did not involve GWRC controlled work or activity – e.g. public in parks, contractors or other third party activity on our land. GWRC have either

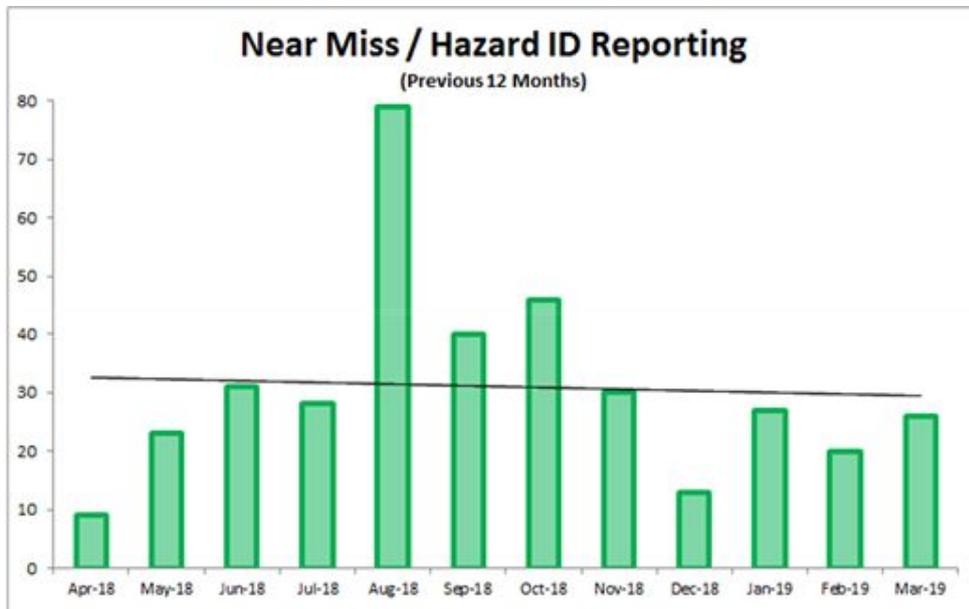
become involved in the response to the situation or have expressed direct interest in the investigations finding of the involved parties.

No Lost Time Injuries (LTIs) were reported in this period.

The Lost Time Injury Frequency Rate has dropped to 0.46 LTIs for every 100,000 hours worked. This performance measure is now trending further below the 0.90 performance target, as shown in the below graph.



The reporting of near-miss events trend has flattened out over the last quarter as shown in the graph below. The importance of near miss events and how to report them is a significant component of the organisational wide “Pause 4 Safety” workshops discussed later in this report. This is expected to bring an increased and sustained improvement in near-miss reporting across the organisation.



The new figure below shows the rolling monthly average of near miss and hazards reports by staff across a 12 month window. While you can see the average as of March 2019 at 26 is ahead of where we were 12 months ago, 14 in April 2018, there is an indication that reporting activity is beginning to trend down. It is hoped with “Pause 4 Safety’ and also work on simplifying the input of reports into the KESAW reporting system well will see this trend reverse and numbers of reports grow.



3. **Pause 4 Safety – all staff organisational wide workshops.**

A significant amount of work of the Health, Safety and Wellbeing team since the last update has been focused on preparing for the all staff, organisational wide “Pause for Safety” workshops.

In total there are 10 half day workshops to being held in Masterton, Upper Hutt and Wellington venues over the period of 8 – 10 April 2019.

Over 400 staff have registered their intent to attend one of the workshops. The workshops will be led by a member of ELT but predominately facilitated by staff members from the HS&W Forum with support of the HS&W Team at each venue.

The “Pause 4 Safety” is a significant component of GWRC’s Strategic HS&W Road Map.

Key outcomes from the day include:

- **The launch of the new GWRC HS&W vision**



- **Gaining commitment of staff to our HS&W behaviours**



I will pause and think –
and act if safe to do so



I will speak up
about safety



I will prioritise my own
health, safety & wellbeing –
because I matter



I will look out
for my mates – because
YOU matter

- **Staff understanding what creates a high performance HS&W culture and the part that they all need to play in moving GWRC closer towards this.**
- **The importance of near-miss event reporting and how to report them**

This day has been made possible through the wonderful efforts and commitment of the HS&W forum. It would have not come into being without their input and, in many cases, their willingness to step well outside their personal comfort zones.

4. Health and safety critical risk initiatives.

The following section provides a brief update on initiatives and activities associated with several of GWRC's identified critical risk areas over the period since the previous report, in additions to preparation for 'Pause 4 Safety.'

The project work across all critical risks and the other strategic projects will be picked up and begin to be progressed again straight after the “Pause 4 Safety” workshops are completed.

The critical risk and strategic project areas included:

- Critical Risks
 - Transportation
 - Loan/Remote Working
 - Working on or near water
 - Hazardous Substances
- Health and Wellbeing
- H&S Leadership Training
- Core H&S Training

4.1 Critical Risks Controls Project

Review of recent near-miss and property damage events has given the organisation an opportunity to evaluate the effectiveness of controls identified in previous Transportation Critical Risk staff workshops.

The review of these events with the staff and managers involved identified that the implementation of several critical controls was not currently effective. These reviews have come out with organisational recommendations which are currently being considered.

These reviews also created the opportunity for front line field staff to pick up on issues and help GWRC better understand the risks associated with potential transportation related situations and make insightful recommendations to the appropriate workable controls, e.g. for situation involving off road vehicle recovery. This included identifying appropriate aftermarket recovery features to add to new vehicles at the point of procurement, staff training and additional recovery equipment kit content.

4.2 Health and Wellbeing Project - Seasonal Flu Vaccination Clinics 2019

Free Seasonal Flu Vaccination Clinics have been set up to make free vaccinations available for all staff and councillors. Clinics have been scheduled on site at Masterton, Upper Hutt, Shed 39 and Walter St during April 2019.

5. Communication

No external communication is proposed as an outcome of the consideration of this report.

6. Consideration of climate change

The matters addressed in this report have been considered by officers in accordance with the process set out in the GWRC Climate Change Consideration Guide.

6.1 Mitigation assessment

Mitigation assessments are concerned with the effect of the matter on the climate (i.e. the greenhouse gas emissions generated or removed from the atmosphere as a consequence of the matter) and the actions taken to reduce, neutralise or enhance that effect.

Officers have considered the effect of the matter on the climate. Officers consider that the matters will have no effect

Officers note that the matter does not affect the Council's interests in the Emissions Trading Scheme (ETS) and/or the Permanent Forest Sink Initiative (PFSI)

6.2 Adaptation assessment

Adaptation assessments relate to the impacts of climate change (e.g. sea level rise or an increase in extreme weather events), and the actions taken to address or avoid those impacts.

Officers have considered the impacts of climate change in relation to these matters. Officers recommend that climate change has no bearing on these matters.

7. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

7.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

7.2 Engagement

Engagement on this matter is unnecessary.

8. Recommendations

That Council:

1. *Receives the report.*
2. *Notes the content of the report.*

Report prepared by:

Graeme Burnett
Senior Health, Safety &
Wellbeing Advisor

Report prepared by:

Mike Ward
Senior Health, Safety &
Wellbeing Advisor

Report prepared by:

Rachael Meikle
Health, Safety & Wellbeing
Advisor

Report approved by:

Nigel Corry
General Manager, People and
Customer



Report 19.105
Date 19 March 2019
File CCAB-8-2156

Committee Council
Author Mike Timmer, Treasurer

WRC Holdings Group 2019/20 draft Statement of Intent

1. Purpose

To receive the 2019/20 draft Statement of Intent (SOI) of the WRC Holdings Group and to identify any matters for consideration by the directors of WRC Holdings.

2. Background

WRC Holdings Ltd and its 100% owned subsidiary company Port Investments Ltd (PIL) are Council Controlled Trading Organisations (CCTOs). Greater Wellington Rail Ltd (GWRL) is a Council Controlled Organisation (CCO) as defined under the Local Government Act 2002 (LGA).

The companies noted above, together with CentrePort (CPL) being 76.9% owned by PIL, form the WRC Holdings Group. A single SOI, incorporating the CentrePort Statement of Intent, is prepared for the Group and provided to the Council pursuant to section 64 (5)(b) of the Local Government Act (LGA) 2002.

The LGA 2002 requires that a draft SOI for WRC Holdings is provided to the shareholder by 1 March, covering the requirements set out in Schedule 8 of the LGA, including the projected results for the three financial years from 1 July 2019.

The directors of WRC Holdings considered the draft SOI financials for CentrePort and draft SOI for WRC Holdings Group on 27 February 2019.

A letter enclosing the draft WRC Holdings Group SOI (incorporating the CentrePort SCI) was sent to the Chair of Greater Wellington Regional Council on 27 February 2019 (refer [Attachment 1](#)).

Greater Wellington Regional Council, as the shareholder, is now required to receive the draft WRC Holdings Group SOI, which incorporates draft financial statements from CentrePort, and where it considers necessary, provide comments back to WRC Holdings directors for inclusion in the final SOI.

WRC Holdings must present the final version of this SOI to Council on or before 30 June 2019.

3. Statement of Intent

The draft SOI for the WRC Holdings Group of Companies for 2019/20 and the following two years is attached (refer [Attachment 2](#)).

The following is an extracted summary of the projections for the next three years.

Financial Performance Measure	2018/19* \$000	2019/20 \$000	2020/21 \$000	2021/22 \$000
Net profit (deficit) before tax (NPBT)	80,928	(4,493)	(4,927)	(7,091)
Net profit (deficit) after tax (NPAT)	81,562	(3,613)	(3,971)	(5,547)
Earnings before interest, tax and depreciation	109,084	25,404	27,203	28,887
Return on total assets	11.3%	-0.4%	-0.4%	-0.6%
Return on shareholder's equity	16.0%	-0.6%	-0.6%	-0.8%
Shareholders equity to total assets	70.0%	70.6%	71.2%	71.8%
Dividends	1,461	2,495	3,151	3,038

* 2018/19 SOI

The projected financial results (net profit/deficit) for 2019/20 through to 2021/22 are significantly different to those for 2018/19, as the projections for the current year incorporated the Insurance proceeds from CPL's material damage insurance pay out, as a result of the Kaikoura earthquakes. CentrePort is assuming all insurance claims will be settled prior to 30 June 2019.

The deficits in 2019/20 to 2021/22 reflect the difference between the profits from CentrePort against the loss from GWRL, the latter stemming from depreciation which is not funded by revenue in GWRL. All capex is funded by equity contributions from Council.

These contributors to the financial results are discussed further in section 4 below.

4. Detailed operating budgets

The draft operating budgets for each of the 100% owned companies within the WRC Holdings Group are attached (refer [Attachment 3](#)). These are discussed for each company.

4.1 Port Investments Ltd (PIL)

The projected dividends from CPL (PIL's share) is forecasted via CPL's Statement of Intent (SOI) as being \$3.8 million, \$4.6 million and \$4.6 million for three SOI forecast years respectively. CentrePort have also indicated a \$4.0 million dividend for PIL by June 2019, equating to \$3.1million for PIL's share.

The dividends beyond 2022/23 relate to the 10 year forecast provided by CentrePort last year and will be updated once their new 10 year plan is received.

4.2 Greater Wellington Rail Ltd (GWRL)

GWRL holds rolling stock and other related rail assets such as stations.

Capital expenditure of \$19.9 million is forecasted for the 2019/20 year increasing to \$26.2 million in 2020/21 and then reducing to \$18.8 million in 2021/22. Sixty eight percent of the expenditure over the 3 years is on rail infrastructure with the balance on rail rolling stock.

These capital projects are funded 100% by equity which GWRL receives from its parent WRC Holdings and in turn from the ultimate shareholder the Wellington Regional Council.

The first set of 48 Matangi trains purchased were funded via a combination of capital grants and equity. This was because the Government provided part of the funding for the trains up front with the Council paying the balance.

The second instalment of the 35 Matangi trains has been funded 100% via Council through WRCHL. The Government will contribute around 50% which will be paid to Council via an Interest and Principal loan over a 25 year period.

Capital Grants, previously used to fund around 90% of the first instalment of Matangi trains were required to be treated as revenue, and as such they created a large deferred tax liability in GWRL accounts (forecasted at \$68.1m at 30 June 2019). This was because if the trains were sold, a tax liability would arise due to part of the initial purchase being funded by revenue as opposed to Equity as it is now. The depreciation expense over future years will however offset this liability.

All operating costs (excluding depreciation) are met with a matching grant from the Council.

The statement of comprehensive income shows slowly increasing net operating deficits, i.e: (\$21.6 million, \$22.3 million and \$23.9 million) which are driven by slowly increasing depreciation, which is not funded. In time the losses will

offset the equity injections for the capital expenditure at which point the assets will be fully depreciated and ready for replacement.

The balance sheet has equity rising to \$392 million in 2023/24, it then starts to decline as operating deficits driven by depreciation and deferred tax exceeds the on-going annual capital expenditure (funded by equity injections), but then reverses as capital expenditure exceeds the net reduction from depreciation and deferred taxation in 2026/27 onwards.

The deferred tax liability reduces over time as tax losses from operations arising from depreciation are applied to reduce the deferred tax liability balance.

4.3 WRC Holdings Ltd (WRCHL)

WRCHL is the holding company for PIL and GWRL. Income is sourced predominately from dividends and interest income from PIL.

WRCHL has a gradually increasing surplus to 2021/22 reflecting an increasing dividend stream from PIL and in turn CentrePort. It then declines reflecting a constant dividend stream being reduced by increasing interest costs, driven by higher forecasted interest rates.

WRCHL has a \$44 million loan which was refinanced in December 2018 by a loan from Council maturing in 28 October 2021. The interest rate is set quarterly based on the 90 day bank bill rate plus a margin of 0.25% fee for this facility arrangement.

Interest paid on the \$44 million loan to Council is offset by the income received from PIL on its \$44 million advance by WRCHL.

Costs are inflated by 2.5% and interest costs are rising gradually reflecting a general increase in base interest rates. Interest cost is based a 90 day forward projection plus the Council margin and in turn Council's borrowing margin from the LGFA. The rates range from 2.63% to 3.23% over the three year budgeted horizon.

5. CentrePort

CPL's SOI shows net underlying profit after tax (NPAT) for the 3 years ending (2020, 2021 and 2022) respectively at \$12.5 million, \$12.6 million and \$12.1 million.

CPL has large forecast cash deposits from its insurance proceeds of \$277 million in June 2019 reducing down to \$33.7 million in June 2022 as funds are used up to fund their capital expenditure programme.

CPL's equity is slowly increasing from \$457 million in 2020 to \$470 million in 2022 as a result of increased retained earnings after dividend payments.

The recent increase in equity from insurance proceeds is impacting the financial ratios, with lower returns on assets and equity compared to pre earthquake levels.

CPL is forecasting to pay a gross \$4 million dividend this year increasing to \$5 million in 2020, then \$6 million for both the 2020 and 2022 years.

The PIL Board sent a letter of expectation to CentrePort in December 2018 to provide its expectations and to inform their Statement of Corporate Intent (SCI) preparation.

CentrePort provided a revised new look SCI with some improvements in terms of clarity and added a values statement. Some sections have been deleted (generally where there was duplication) while others have been amended. The SCI has been compared back to the legislative requirements (now correctly called the SCI not SOI) plus it is now in two parts, the narrative and the financials.

Their performance measures are much the same as last year with some minor tweaking. The WRCH Board is presently in the process of writing back to CentrePort with a few requested changes, relating to:

- the annual reporting date (date to be 2 months after year end not 3)
- the section on governance to be reinstated
- reference to the Wellington Regional Strategy be reinstated.

6. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

6.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

6.2 Engagement

Engagement on the matters contained in this report aligns with the level of significance assessed. In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

7. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *Receives the draft Statement of Intent of WRC Holdings Group for 2019/20 and determines any comments or recommendations for forwarding to the directors of WRC Holdings for their consideration.*

Report prepared by:

Report approved by:

Mike Timmer
Treasurer

Samantha Gain
General Manager, Corporate
Services

Attachment 1: Copy of letter to Chair, Greater Wellington Regional Council

Attachment 2: WRC Holdings Group – 2020, 2021, 2022 Draft Statement of Intent

Attachment 3: Port Investments Ltd - Operating Budget 2018/28
Greater Wellington Rail Ltd – Operating Budget 2018/28
WRC Holdings Ltd - Operating Budget 2018/28

28 February 2019



Chris Laidlaw
Chair
Greater Wellington Regional Council
P O Box 11 646
Wellington 6142

Dear Chris

WRC Holdings Group draft Statement of Intent Covering the 2020-2023 financial years

WRC Holding Limited Board members held a meeting on 27th February 2019 to discuss the above.

At this meeting we received the draft Statement of Intent (SOI) from CentrePort Limited, and a draft Statement of Intent (SOI) for WRC Holdings Limited, Greater Wellington Rail Limited and Port Investments Limited combined.

We approved the draft WRC Holdings Group SOI for delivery to the shareholder at the meeting and now pass it on for comment.

As per the Local Government Act (Schedule 8, Clause 3) we are required to deliver a draft SOI for before 1 March 2019.

The Council has two months to consider and provide feedback on the draft report. Once we have received the Council's feedback we will ensure a completed Statement of Intent is delivered to the Council by 30 June 2019 in accordance with the statutory requirements.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Prue Lamason', written over a light blue horizontal line.

Prue Lamason
Chair – WRC Holdings Limited

Encl – WRC Holding Limited Draft SOI



WRC Holdings Limited Group

Statement of Intent

For the years ended 30 June 2020, 2021 and 2022

Contents

1.	Introduction	1
2.	Scope of Statement of Intent (SOI)	1
3.	Reasons for the WRC Holdings Group	1
4.	Objectives and Activities of the Group	2
5.	Financial and Operational Performance Targets	7
6.	CentrePort Performance Targets	11
7.	Governance of the WRC Holdings Group	18
8.	Financial Information	18
9.	Distribution of Profits to Shareholders	24
10.	Information to be Reported	25
11.	Procedures for the Purchase and Acquisition of Shares	25
12.	Compensation	25
13.	Value of Shareholder's Investment	26

1. Introduction

This Statement of Intent (SOI) is prepared in accordance with Section 64(1) of the Local Government Act 2002.

The SOI specifies for WRC Holdings Limited and its subsidiaries, the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the Group and individual companies may be judged in relation to their objectives, amongst other requirements.

The process of negotiation and determination of an acceptable SOI is a public and legally required expression of the accountability relationship between the Group and its Shareholder, Greater Wellington Regional Council.

The SOI is reviewed annually with the Council and covers a three year period.

2. Scope of Statement of Intent (SOI)

2.1 This SOI relates to WRC Holdings Group Limited and its subsidiary companies, Port Investments Limited (PIL), CentrePort Ltd (CentrePort), and Greater Wellington Rail Ltd. Together they make up WRC Holdings Group (the Group).

WRC Holdings is 100% owned by Greater Wellington Regional Council (the Regional Council).

WRC Holdings is an entity established under the Local Government Act 2002 (LGA). WRC Holdings Ltd and its wholly owned subsidiaries are Council Controlled Trading Organisations (CCTOs), and Council Controlled Organisations (CCOs) as defined under the LGA. CentrePort, a partly owned subsidiary, is not a CCTO as its activities are governed by the Port Companies Act 1988.

3. Reasons for the WRC Holdings Group

- Appropriate separation of management and governance;
- To determine appropriate strategies for the Group and its subsidiary companies;
- To impose commercial discipline on the Group's activities where applicable, produce an acceptable return to shareholders, and ensure an appropriate debt/equity ratio;
- To separate the Regional Council's commercial assets from its public good assets, where appropriate;

¹ Note that whilst the business of owning and maintaining rolling stock is a commercial activity, the provision of public transport services is more of a public good activity.

- To provide a structure to allow external Directors with a commercial background to provide advice and expertise at the governance level;
- To minimise the risks and optimise the opportunities of owning commercial assets, such as rail rolling stock.

4. Objectives and Activities of the Group

4.1 Objectives

The core role of the Board of WRC Holdings Limited is to determine the Group's strategy and monitor the Group's investment in Rail infrastructure and Centreport, both of which service the region's infrastructure needs and to ensure they deliver on the Group's objectives as follows:

- a) Support the Regional Council's strategic vision; operate successful, sustainable and responsible businesses.
- b) Manage its assets prudently.
- c) Where appropriate, provide a commercial return to Shareholders except in the case of GWRL which will provide agreed outcomes to the Regional Council.
- d) For GWRL, prudently manage and maintain the rail rolling stock and rail infrastructure (GWRL's Rail Assets) through a management service agreement entered into with the Regional Council, providing for asset management, accounting, advisory, secretarial and general administration services and in particular:
 - Ensure the Regional Council as its appointed agent carries out all services and activities, in relation to the GWRL's Rail Assets, that are reasonably necessary to enable the Regional Council to provide quality rail services to the public in accordance with the contractual obligations entered into with the current rail operator of the rail services and maintenance provider of GWRL's Rail Assets; and
 - Ensure GWRL complies with its responsibilities as a rail participant under the Railways Act 2005, current health and safety legislation and any other legislation affecting GWRL's Rail Assets and operations;
 - Ensure GWRC develops and maintains a systematic approach for the long-term management of GWRL's public transport rail assets in a manner consistent with industry best practice.
- e) For CentrePort via Port Investments Limited to ensure Centreport:
 - maximises the commercial value of CentrePort to the Shareholder and protect the Shareholder's investment, including land and property, while maintaining the strategic value to the economy of the region.

Attachment 2 to Report 19.105

- delivers competitive financial returns compared to industry benchmarks (port and comparable sectors).
- adopts policies that prudently manage risk and protect the investment of stakeholders.
- ensures that a recovery plan from the recent earthquakes is developed in consultation with stakeholders taking into account the strategic needs of the stakeholders and the region.
- ensures resilience plans are featured in the recovery plan and the CentrePort's planning process takes a longer term view of opportunities for redevelopment of the port and for this work to be undertaken in collaboration with the regional council, local councils and other key stakeholders, and in consultation with the public.
- Creates a zero-harm workplace and maintains compliance with the International Ship and Port Security Code
- Adopt policies that prudently manage risks and protect the investment of its shareholders.
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when possible.
- Conduct its affairs in accordance with sound business practice.
- Achieve the objectives and performance targets of the Shareholder.

4.2 Activities of the Group

WRC Holdings Limited

WRC Holdings Limited is the holding company for PIL, GWRL and indirectly CentrePort.

It effectively manages any other investments held by the Group in order to maximise the commercial value to the Shareholder and to protect the Shareholder's investment.

WRCH acts as a diligent constructive and inquiring Shareholder, through its Board of Directors.

Greater Wellington Rail Limited

Assets

GWRL owns the Regional Council's investments in metro rail assets. These include the following rolling stock and infrastructure assets:

Rolling Stock:

- 18 - SW Carriages
- 6 - SE Carriages
- 1 - AG Luggage van
- 2 - Remote controlled electric Shunt crabs
- 83 - 2 Car Matangi units
- 1 – Matangi Driving Simulator

Infrastructure Assets:

- Thorndon electric multiple unit (EMU) depot and EMU train wash
- Metro wheel lathe and building
- 48 – Railway stations including shelters, furniture, CCTV, signage, fixtures and fittings - (excluding the main Wellington central station)
- 14 – Pedestrian over-bridges
- 11 – Pedestrian underpasses
- Various carparks, other station improvements and other ancillary rail related assets.

Greater Wellington Rail Limited is responsible for all aspects of asset management, procurement and stewardship, implemented through a management contract with the Regional Council. An asset management plan is in place which articulates a structured programme to minimise the life cycle costs of asset ownership while maintaining the desired levels of service and sustaining the assets.

Operational delivery of the services is the responsibility of the Regional Council delivered via a long term (expiry 2031) contract performance based "Partnering Contract" with Transdev Wellington Limited for rail services and rolling stock maintenance.

Transdev have subcontracted the rolling stock maintenance services to Hyundai-Rotem Company. Hyundai-Rotem were the manufacturers of the GWRL Matangi fleet.

GWRL has approximately a \$65 million capex programme over the next 3 years.

Strategic Context:

- a) To keep Wellington city and the Greater Wellington region moving, we need a public transport network that can carry more people to more places, every day of the week.
- b) Residents and visitors to the region currently make 38 million journeys a year on Metlink buses, trains and ferries, and with our growing population, this is set to increase to 42 million journeys by 2021.

- c) GWRC are making extensive improvements to the Metlink public transport network to deliver more frequent and reliable services to seamlessly connect the communities across our region to the places where they live, work and play.
- d) GWRC are working towards a world standard, low-emission public transport network to take the region into the future. We want to become a smarter, cleaner region, by encouraging more people to travel by bus, train and ferry, especially at peak times.
- e) GWRC have already made improvements to the Metlink rail service, which included a new fleet of modern electric trains, new stations, more park & rides, improved punctuality and better disruption and delay information, as well as extending the electric network up to Waikanae.
- f) The role of Greater Wellington Rail Limited is to manage, maintain, renew and provide the rolling stock, and rail station infrastructure assets to enable delivery of comfortable, reliable and punctual rail services to the residents of, and visitors to the Greater Wellington Region.

The rail services provide >38,000 daily peak journeys to and from the Wellington CBD (Equivalent to 44-50% mode share from Hutt Valley, Kapiti, Porirua into the CBD) and around 13.5m passenger journeys per annum

- g) On behalf of fare payers, ratepayers and taxpayers we are guardians of public assets with a replacement cost of approximately \$600 million.
- h) The rail services provided by our assets , support and promote Greater Wellington Regional Council’s Strategic Community Outcomes:

Strong Economy - by enhancing the efficient movement of people and goods within the region

Connected Community – by providing a mass transit system that moves people efficiently and relieves congestion from our roads at peak times a by providing an essential service for people for whom, whether by choice or circumstance, private vehicle travel is not an option

Healthy Environment – by supporting the reduction of vehicle emissions from private vehicles and PT Vehicles

- i) Greater Wellington Rail Limited is committed to enhancing its assets within the rail network which is a critical part of our regions transport system. Rail will play a vital role in ensuring the region’s economic prosperity and meeting the transport needs now and in to the future.

Work plan 2019/20 year:

Key Activities & Initiatives	
Maintenance	Deliver train maintenance services, within approved budgets, through an operations and maintenance contract, while ensuring that train condition and performance is maintained throughout the assets life.
	Deliver rail station infrastructure cleaning and maintenance, within approved budgets, through various contracts ensuring asset condition does not deteriorate.
Renewal	Deliver rolling stock heavy maintenance renewals, within approved budgets, through an operations and maintenance contract, while ensuring that train availability and reliability targets are met.
	Deliver rail infrastructure asset renewals and like-for-like replacement programme, to improve overall asset condition and performance, in accordance with the asset investment priority framework
Security	Continue to expand the installation of CCTV cameras across all Metlink Park & Ride facilities, and upgrade original analogue equipment.
Park & Ride	Expand Park & Ride capacity, in accordance with the Park and Ride Strategy Framework (currently being developed)
Seismic Strengthening	Undertake seismic strengthening works on a number of earthquake prone pedestrian foot bridges and subways, in accordance with the agreed risk profile
Signage	Commence installation of new station entrance signage, which includes an electronic sign to indicate if trains are replaced by buses.
Bicycle Storage	Improve the provision of bicycle storage facilities at outer stations to mitigate growing conflict on services between peak customer capacity and cycle storage space.
Wellington Station Passenger Information System	Complete the renewal of the Passenger Information system (audio and visual) at Wellington Railway Station

Port Investments Limited

Port Investments Limited is an investment vehicle that owns 76.9% of CentrePort Limited.

The major usual activities of CentrePort, who produce their own Statement of Corporate Intent, similar to this SOI, are:

- Port infrastructure (land, wharves, buildings, equipment, utilities)
- Shipping and logistical services (pilotage, towage, berthage)

- Operational service (cargo handling, warehousing, facilities management, property management, security, emergency services)
- Integrated logistics solutions (networks, communications, partnerships)
- Property services (leasing management)
- Joint ventures (container repair, cleaning, packing, unpacking and storage).

Port Investments monitors the performance of CentrePort. This is achieved via a Statement of Corporate Intent (SCI), Letter of Expectation in terms of the SCI, Quarterly meetings with CentrePort’s Chair and Management, and Chair and management briefings with the Regional Council’s Chief Executive and Chair.

5. Financial and Operational Performance Targets

5.1 WRC Holdings Group

The following section covers the operating performance targets and the financial performance targets of the companies making up the WRC Holdings Group.

Operational performance targets

- a) WRC Holdings to act as a responsible and inquiring Shareholder.
- b) WRC Holdings to hold a meeting at least six times a year to review the operational and financial position of the companies and Group.
- c) WRC Holdings Group to report quarterly on the financial performance of WRC Holdings Group to Council.
- d) WRC Holdings Group to present quarterly on WRC Holding Group activities to Council and to keep Council informed of significant matters as they occur.
- e) Statement of Intent and Annual Accounts are in compliance with statutory requirements.

Financial performance targets

	WRC Holdings Limited		
	2019/20	2020/21	2021/22
Dividend distribution \$ 000s	2,495	3,151	3,038
Dividend distribution %	100%	100%	100%
Return on equity (1)	1.0%	1.1%	1.0%
Return on assets (2)	1.2%	1.4%	1.3%
Shareholders funds to total assets	85.1%	86.1%	86.8%

(1) Based on net surplus before tax divided by average equity, but excluding revaluation gains and losses.

(2) Based on earnings before interest and tax, divided by average assets

Return on equity is negative as WRC Holdings has costs with no offsetting revenue to cover them. Return on assets is positive as interest is calculated before interest costs.

Environment performance targets - Group

Operate in an environmentally and sustainable manner and realise opportunities to be more sustainable

Minimise the impact of any of the Group's activities on the environment

Develop a culture of awareness of environmental issues within the Group

Ensure regulatory compliance

Engage with stakeholders on environmental matters

Safety & Security performance targets – Group

To provide a safe and health workplace – zero harm that provides opportunities and skill to enhance our employees

Compliance with H&S standards and shipping and rail codes/legislation

Social performance targets – Group

To help sustain the economy of the region, with high quality port services to support international and costal trade and to collaboration with our partners

To participate in development, cultural and community activities within the region which the group operates

Contribute to the desired outcome of the Welington Regional Strategy.

5.2 Greater Wellington Rail Limited

Operational performance targets

GWRL is accountable for delivery against measures and targets reviewed annually under this SOI, parallel measures listed in GWRC's Public Transport Asset Management Plan (AMP), and Greater Wellington Regional Councils 2018-2028 Long-term Plan (LTP).

Attachment 2 to Report 19.105

Level of Service	Current	2019/20 Target	2020/21 Target	2021/22 Target
CUSTOMER SATISFACTION WITH RAIL ASSETS				
Percentage of passengers who are satisfied with their current trip	94%	≥92%	≥93%	≥93%
Percentage of customers who are satisfied with the cleanliness of the trains	95%	≥93%	≥93%	≥93%
Percentage of passengers who are satisfied with overall station	96%	≥91%	≥92%	≥92%
Percentage of passengers who are satisfied with the cleanliness of the station	92%	≥85%	≥90%	≥90%
Percentage of customers who feel safe while using the station facility	93%	≥89%	≥91%	≥91%
Percentage of passengers who are satisfied with the information at the station	88%	≥89%	≥91%	≥91%
ROLLING STOCK - ASSET MANAGEMENT				
Matangi - Mean distance between failure	37,706	≥40,000km	≥40,000km	≥40,000km
Carriage - Mean distance between failure	68,956	≥80,000km	≥80,000km	≥80,000km

Level of Service	Current	2019/20 Target	2020/21 Target	2021/22 Target
RAIL FIXED ASSET - ASSET MANAGEMENT				
Percentage of pedestrian bridges and subways which meet at least 67% of NBS earthquake rating	36%	52%	64%	72%
Percentage of stations with CCTV coverage	81%	98%	98%	98%

Average condition grade of:				
Station buildings and shelters:	2.3	≤2.5	≤2.5	≤2.5
Structures (pedestrian subways & bridges):	2.5	≤2.5	≤2.5	≤2.5
Park & Ride:	2.3	≤2.5	≤2.5	≤2.5
Percentage of assets in condition grade 4 (Poor) or worse				
Station buildings and shelters:	7%	6%	≤5%	≤5%
Structures (pedestrian subways & bridges):	2 %	8%	6%	≤5%
Park & Ride:	14%	20%	15%	10%

Financial performance targets

- a) Operating costs, and capital expenditure are maintained overall within budget

	2019/20 Target	2020/21 Target	2021/22 Target
Operating expenditure	\$40.2m	\$41.2m	\$43.1m

Attachment 2 to Report 19.105

Capital Expenditure	\$19.9m	\$26.2	\$18.9m
Shareholder's funds to total assets	84%	85%	86%

5.3 Port Investments Limited, Parent & Group including CentrePort

Operational performance targets

- Port Investments to act as a responsible and inquiring Shareholder of CentrePort.
- CentrePort to report at least four times a year to Port Investments Limited and for the Board to approve significant transactions of CentrePort as determined by the constitution.
- Performance indicators for CentrePort as noted below.
- Production of Annual Accounts is in compliance statutory requirements.

Financial performance targets

	Port Investments Limited		
	2019/20	2020/21	2021/22
Dividend distribution \$ 000s	2,607	3,257	3,140
Dividend distribution %	100%	100%	100%
Return on equity (1)	98.0%	122.5%	118.1%
Return on assets (2)	7.6%	9.0%	9.0%
Shareholders funds to total assets	5.3%	5.3%	5.3%

(1) Based on net surplus before tax divided by average equity, but excluding revaluation gains and losses.

(2) Based on earnings before interest and tax, divided by average assets

6. CentrePort Performance Targets

6.1 Financial Performance measures

Extract from CentrePort's 2019 – 2022 SCI.

The Group's performance is measured against the following ratios:

Measure	Forecast	Forecast	Forecast
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		FY20	FY21	FY22
Group EBITDA	\$m	19.7	23.2	26.9
Group EBIT	\$m	11.5	13.3	14.5
Underlying Net Profit Before Tax	\$m	17.4	17.6	16.8
Underlying Net Profit After Tax ('Underlying NPAT')	\$m	12.6	12.7	12.1
Dividend	\$m	5.0	6.0	6.0
Shareholders' Funds ('Equity) or Net Assets	\$m	456.9	463.5	469.6
Number of issued shares	000	23,425	23,425	23,425
Group EBIT Return on Assets	%	2.4%	2.7%	2.9%
Underlying NPAT Return on Group Equity	%	2.8%	2.7%	2.6%
Dividend Distribution as a %age of Underlying NPAT	%	39.8%	47.4%	49.7%
Underlying earnings (NPAT) per share	\$	0.54	0.54	0.52
Dividend per share	\$	0.21	0.26	0.26
Net Asset backing per share	\$	19.50	19.79	20.05

Definition of Terms:

Underlying net profit after tax ('Underlying NPAT)

Underlying net profit after tax excludes (i) fair value movements from cash flow hedges and investment property valuations, and (i) earthquake items.

Return on Assets for each business segment

i. Port

Earnings before interest and tax (EBIT) plus share of associate earnings divided by the average of total fixed assets and investments in Associates.

ii. Property

EBIT plus share of associate earnings divided by the value of investment properties plus investment in associates.

Return on Equity

Underlying net profit after tax divided by average equity.

Dividend Payout

Dividend as a percentage of underlying net profit after tax.

Underlying earnings per share

Underlying net profit after tax divided by the number of issued shares.

Dividend per share

Dividend divided by the number of issued shares.

Net Asset backing per share

Shareholders' Funds or Net Assets divided by number of issued shares.

Equity Ratio

Shareholders' Funds divided by Total Assets.

Gearing Ratio

Debt divided by the sum of Debt plus Equity (Shareholders Funds).

Interest cover

Earnings before Interest, Tax, Depreciation and Amortisation ('EBITDA') plus dividends received from investments in associates and joint ventures divided by the Interest Expense.

Solvency Ratio

Current Assets divided by Current Liabilities.

6.2 Financial Health measures

The CPL Group's financial health is measured against the following ratios:

Financial Health	Target	Forecast FY20	Forecast FY21	Forecast FY22
Current Assets (\$m)	n/a	234.7	149.9	49.6
Current Liabilities (\$m)	n/a	22.4	22.6	22.9
Total Assets (\$m)	n/a	503.7	510.5	516.9
Shareholders Funds - Equity (\$m)	n/a	456.9	463.5	469.6
Term Borrowings (\$m)	n/a	-	-	-
Debt (\$m)	n/a	-	-	-
Equity Ratio	> 45%	90.7%	90.8%	90.8%
Gearing	< 50%	0.0%	0.0%	0.0%
Interest cover	> 2.5 times	n/a	n/a	n/a
Solvency Ratio	> 0.6	10.5	6.6	2.2

6.3 Safety and Security

The performance measures for safety and security over FY20-22 are:

Objective	Performance measure	Performance target		
		FY20	FY21	FY22
Create a zero harm workplace	Lost Time Injury Frequency (per 200,000 hours worked) FY19 Target ≤ 3.5	≤ 3.5	≤ 3.2	≤ 3.2
	Lost Time Injury Severity (per 200,000 hours worked) FY19 Target ≤ 10	≤ 10	≤ 8	≤ 8
	bSafe Reports (incident and near miss reports)	> 900	> 1,000	> 1,000
	Site Inspections	> 120	> 120	> 120
	Safety Interactions	> 120	> 120	> 120
	Random Drug and Alcohol Testing (as a percentage of total employees)	> 40%	> 40%	> 40%
	Comply with the AS/NZS 4801: Occupational Health and Safety Management Systems as per AS/NZS 4801 audit	Compliance with AS/NZS 4801	Compliance with AS/NZS 4801	Compliance with AS/NZS 4801
	Health & Safety Policy reviewed annually against CentrePort's objectives and external benchmarks	Compliance with Policy	Compliance with Policy	Compliance with Policy
Maintain compliance with the Port & Harbour Safety Code (PHSC)	The requirements of the PHSC continue to be met	No breaches of the PHSC	No breaches of the PHSC	No breaches of the PHSC
	Risk assessments of new tasks or reviews post incident completed	All new task risk assessments and post incident reviews complete	All new task risk assessments and post incident reviews complete	All new task risk assessments and post incident reviews complete
Maintain compliance with the International Ship & Port Security (ISPS) Code	Compliance is maintained, all incidents are reported to MNZ and NZ Customs Service, and learning reviews are undertaken and recommendations implemented	Compliance maintained as per annual audit	Compliance maintained as per annual audit	Compliance maintained as per annual audit

6.4 Environmental

The performance measures for environmental management over FY20-22 are:

Objective	Performance measure	Performance target		
		FY20	FY21	FY22
Ensure regulatory compliance	Compliance breaches	Zero	Zero	Zero
	System: consistency with ISO14001	Audit and second stage certification complete	Audit and third stage certification complete (full ISO14001 compliance)	Full ISO14001 compliance
Minimise impact on the environment	Incidents: number of registered environmental incidents (FY2015 baseline – 32)	Minimum 20% decrease from baseline	Minimum 25% decrease from baseline	Minimum 30% decrease from baseline
	Complaints: number of complaints from external stakeholders about environmental performance	Zero	Zero	Zero
Operate in a sustainable manner	Greenhouse gas emissions (quantity CO ₂ equivalent) Emissions measured in accordance with ISO 14064 –1:2006 and the Greenhouse Gas Protocol.	Meet targets identified in Emissions Management Plan	Meet targets identified in Emissions Management Plan	Meet targets identified in Emissions Management Plan
	Ozone depleting substances used (quantity methyl bromide released to atmosphere)	100% recapture	100% recapture	100% recapture
	Solid waste to landfill (quantity) including the potential for third party waste	Waste minimization integrated into Regeneration	Waste minimization integrated into Regeneration	Waste minimization integrated into Regeneration
Engage with stakeholders on environmental matters	Environmental Consultative Committee meeting frequency	At least 3 per annum	At least 3 per annum	At least 3 per annum
	Iwi engagement	Pre lodgement consultation undertaken for 100% of resource consent applications	Pre lodgement consultation undertaken for 100% of resource consent applications	Pre lodgement consultation undertaken for 100% of resource consent applications

Objective	Performance measure	Performance target		
		FY20	FY21	FY22
	Transparency	Performance against targets reported in Annual Report	Performance against targets reported in Annual Report	Performance against targets reported in Annual Report
Develop a culture of awareness and responsibility	Board sub-committee (Health Safety and Environment) meeting frequency	At least 4 per annum	At least 4 per annum	At least 4 per annum
	Internal 'sustainability subcommittee' meeting frequency	Monthly	Monthly	Monthly

6.5 Social

The performance measures for social engagement over FY20-22 are:

Objective	Performance measure	Performance target		
		FY20	FY21	FY22
Being a respected and responsible employer	Conduct annual staff engagement survey and follow up actions.	Engagement survey conducted.	Engagement survey conducted.	Engagement survey conducted.
Building awareness of the value and contribution of CentrePort's activities to the regional economy.	Targeted engagement with key stakeholders directly and via channels.	Face-to-face meetings with key stakeholders/influencers	Face-to-face meetings with key stakeholders/influencers	Face-to-face meetings with key stakeholders/influencers
		Quarterly stakeholder update published	Quarterly stakeholder update published	Quarterly stakeholder update published
Participating in and encouraging selected community activities.	Community engagement strategy and policy developed to guide appropriate and effective investment in community activities.	Community engagement strategy and policy completed, adopted and implemented.	Community engagement as per strategy and policy (to be developed)	Community engagement as per strategy and policy (to be developed)
Consulting employees, stakeholders and the community, as appropriate.	Engage stakeholders / community on Regeneration Plan.	Regeneration Plan engagement plan finalised and implemented.	Engagement with stakeholders as per Regeneration Plan engagement plan.	Engagement with stakeholders as per Regeneration Plan engagement plan.

6.6 Regeneration

The performance measures for regeneration activities over FY20-22 are:

Objective	Performance measure	Performance target		
		FY20	FY21	FY22
Planning supports the appropriate regeneration and growth of the port	Planning completed on time and with input from key stakeholders	Port Regeneration Plan updated	Port Regeneration Plan updated	Port Regeneration Plan updated
	Demolition programme on target as contained in Medium Term Operating Plan	On target	On target	Complete
Management of the existing port infrastructure over the life of the asset	Natural hazard resilience programme developed	Commence works to Seaview Works and first ground resilience projects commenced	Continued ground resilience projects	Complete Seaview and continued ground resilience projects
	Restoration of buildings on target as contained in Medium Term Operating Plan	On target	n/a	n/a
	Traffic and pedestrian management solutions on target as contained in Medium Term Operating Plan	Medium Term solutions commenced	Medium Term solutions complete	n/a

7. Governance of the WRC Holdings Group

The Shareholder, the Regional Council, appoints the directors to WRC Holdings Ltd in terms of the Regional Council's approved process. Section 57 of the LGA 2002 requires that directors have the skills, knowledge and experience to:

- Guide the Group, given the nature and scope of its activities; and to
- Contribute to the achievement of the objectives of the Group.

The Shareholder also approves the directors of PIL and GWRL. These are appointed by WRC Holdings Ltd by way of a special resolution. There is a commonality of directors between WRC Holdings Ltd, PIL and GWRL.

The directors of CentrePort are able to be appointed by CPL Board.

Any changes to the constitutions of the Companies within the Group are to be approved by the Shareholder.

The Regional Council monitors the performance of the Group on a regular basis to evaluate its contribution to the achievement of its objectives, performance against the Group's Statement of Intent and the Regional Council's overall aims in accordance with section 65 (1) of the LGA 2002.

The Directors monitor the performance of each Company at each Board meeting.

The WRC Holdings board will take the opportunity to review its strategy and structure following Council completing its Long Term Plan and indications of its future aims in respect of WRC Holdings and its subsidiary companies. WRC Holdings will also standardise its governance systems and processes to align with good practice.

8. Financial Information

8.1 Prospective statement of comprehensive income

Year ended 30 June	2019/20	2020/21	2021/22
\$000	WRCH GROUP	WRCH GROUP	WRCH GROUP
<u>Prospective statement of comprehensive income</u>			
Grant from GWRC - Operating	13,152	13,593	14,198
Rental income	6,357	6,465	6,562
Interest income	6,063	4,331	2,350
Other revenue incl BI & loss of rents	78,385	81,513	87,152
Total revenue	103,957	105,901	110,262
Interest expense	1,149	1,281	1,414
Depreciation	28,748	30,868	34,565
Other expenditure	78,553	78,699	81,375
Total expenditure	108,449	110,848	117,353
Surplus/(deficit) before tax	(4,493)	(4,947)	(7,091)
Taxation expense (credit)	(880)	(975)	(1,544)
Total comprehensive income (NPAT)	(3,613)	(3,971)	(5,547)
Total comprehensive applicable to non-controlling interest	2,899	2,920	2,786
Total comprehensive income applicable to parent	(6,512)	(6,891)	(8,333)

8.2 Prospective statement of changes in Equity

As at 30 June	2019/20	2020/21	2021/22
\$000	WRCH GROUP	WRCH GROUP	WRCH GROUP
<u>Prospective statement of changes in equity</u>			
Opening equity	747,850	760,531	778,223
Shares to be issued during the year	19,943	26,199	18,842
Total comprehensive income for the year	(3,613)	(3,971)	(5,547)
Dividend to be paid - Equity holders	(2,495)	(3,151)	(3,038)
Dividend to be paid - Non controlling Interests	(1,154)	(1,385)	(1,385)
Closing Equity	760,531	778,223	787,094

8.3 Prospective statement of financial position

As at 30 June \$000	2019/20 WRCH GROUP	2020/21 WRCH GROUP	2021/22 WRCH GROUP
<u>Prospective statement of financial position</u>			
Opening equity	747,850	760,531	778,223
Opening equity non controlling interests	(103,689)	(105,435)	(106,970)
New equity	19,943	26,199	18,842
Total comprehensive income applicable to parent	(6,512)	(6,891)	(8,333)
	657,592	674,404	681,761
Dividends distributed	(2,495)	(3,151)	(3,038)
Closing Equity Non-controlling interest	105,434	106,970	108,371
Closing equity	760,531	778,223	787,094
Equity applicable to parent	655,096	671,253	678,723
Non controlling interest	105,435	106,970	108,371
Closing equity	760,531	778,223	787,094
Current assets	247,456	163,860	63,301
Non current assets	605,310	702,202	805,476
Investments	72,030	72,030	72,030
Total assets	924,795	938,092	940,808
Current liabilities	33,470	34,970	35,054
Borrowings	44,080	44,080	44,080
Non current liabilities	86,714	80,819	74,580
Total liabilities	164,264	159,869	153,714
Net assets	760,531	778,223	787,094

8.4 Prospective statement of cash flows

Year ended 30 June \$000	2019/20 WRCH GROUP	2020/21 WRCH GROUP	2021/22 WRCH GROUP
<u>Prospective statement of cash flow</u>			
Cash flows from operations			
Receipts from operations Incl BI proceeds	115,921	121,918	131,725
Interest received	6,385	4,662	4,105
Payments to suppliers/employees	(97,250)	(100,032)	(106,381)
Taxes paid	(4,305)	(4,877)	(4,865)
Interest paid	(1,029)	(1,161)	(1,293)
Net cash from operating activities	19,722	20,510	23,292
Cash flows from investing activities			
Purchase of Fixed Assets - Rail	(19,826)	(26,199)	(18,842)
Development/EQ rebuild - Port and property	(73,078)	(101,561)	(118,998)
Net cash from investing activities	(92,904)	(127,760)	(137,840)
Cash flows from financing activities			
Dividends paid	(3,307)	(4,264)	(4,536)
Issue of shares	19,943	26,199	18,842
Current Account movement	(389)	(201)	182
Net cash from financing activities	16,247	21,734	14,488
Net increase/(decrease) in cash & cash eqvts	(56,934)	(85,516)	(100,060)
Cash & cash equivalents at beginning of the year	277,215	220,281	134,765
Cash and cash equivalents at year end	220,281	134,765	34,705

Financial Statements commentary

The statement of comprehensive income (2019-2021) is showing deficits before and after tax. This is due to the profit from CentrePort being insufficient to offset the loss from GWRL due to GWRL running a deficit due to depreciation not being funded.

The deficit increases in 2021/22 as CentrePort has a lower profit and GWRL is making a larger loss due to higher depreciation than prior years.

Interest income is declining as CentrePort runs down its cash from insurance proceeds and invest the funds in capital expenditure.

The depreciation increases as both CentrePort and GWRL are increasing their rebuild and capex programmes respectively.

The tax credit/income represents the difference between CentrePort paying tax and GWRL having a tax credit from deferred tax in GWRL.

Equity increases by \$40 million over the period (2018/19 to 2021/22). This results from equity injections from Council to fund GWRL capex offset by GWRL deficits relating to its depreciation.

Capital expenditure for the Group is significant at \$358 million for the group.

The large cash balances at the foot of the cash flow represent funds CentrePort has on deposit from its insurance proceeds.

Performance targets

	2018/19 (\$000)	2019/20 (\$000)	2020/21 (\$000)
Net profit before tax	(4,493)	(4,947)	(7,091)
Net profit after tax	(3,613)	(3,971)	(5,547)
Earnings before interest, tax and depreciation.	25,404	27,203	28,887
Return on total assets	(0.4%)	(0.4%)	(0.6%)
Return on shareholder equity	(0.6%)	(0.6%)	(0.8%)
Shareholders equity to total assets	70.6%	71.2%	71.8%
Dividends	2,495	3,151	3,038

Definitions of key financial performance targets:

- a) Consolidated Shareholders funds are defined as the amount of paid up capital, plus retained earnings of the Group, less any non- controlling interest, utilising the average of the opening and closing balance.
- b) Total assets are defined as all of the recorded tangible and intangible assets of the Group at their average value, as determined in the Group's statement of accounting policies in the most recent financial statements.
- c) Return on Shareholders equity is calculated using net profit after tax while return on total assets is calculated using earnings before interest and tax.

Comment

The financial performance and ratios of return on total assets and return on Shareholder's equity are being impacted by the insurance proceeds from the 14 November Kaikoura earthquakes.

8.5 Statement of Accounting Policies

Accounting Policies

The financial statements are presented in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002 and New Zealand Generally Accepted Accounting Practices (NZ GAAP).

These prospective financial statements are presented in accordance with Tier 1 PBE Accounting Standards, and comply with PBE Standards.

The detailed accounting policies are available in our most recent annual report as published on Greater Wellington Regional Council website. Refer to: <http://www.gw.govt.nz/assets/2018-uploads/WRCHL-final-signed-account-with-audit-report-2018.pdf>

8.6 Assumptions in preparing the prospective financial statements

The prospective financial statements information contained in this SOI is based on assumptions that WRC Holding Group could reasonably expect to occur in the future based on information that was current at the time this SOI was prepared. Actual results are likely to vary from the information presented and variations could be material.

- The debt interest rate assumption for the WRC Holdings excluding CentrePort Limited is 2.58% for the 2019/20 year and 2.88% and 3.18% for the next two years respectively after all margin costs. Interest rate hedging is put in place from time to time (as all debt borrowed is at floating rate) to protect against interest rate variability. However, the borrowing margin is subject to market movements.
- There will be no changes to key legislation affecting the Group activities.
- Asset lives are in accordance with the Group's Accounting Policies.

CentrePort forecasts

- Net Revenue is forecasted to increase at a compounded annual growth rate of 8%
- Operating costs are assumed to increase by \$2.5m in 2019/20 as on going temporary works and increased costs are not covered by insurance, but are assumed to decrease in 2020/21 as these costs are removed from the business.
- Depreciation is forecast to increase due to a \$294 million capex programme over the 3 year SCI period.
- Net Interest revenue declines over the forecast period as insurance proceeds are invested in to capex.

8.7 Issues Facing the Group

CentrePort Limited

To up updated at the final SOI.

Greater Wellington Rail Limited

The current issues facing GWRL are:

Monitoring Transdev delivery of Rail Partnering Contract, with a focus on maintaining the condition of the assets through the term of the contract;

Supporting Transdev with their performance management of Hyundai-Rotem;

Continuing the rail fixed infrastructure improvement programme and managing the seismic risk identified in specific pedestrian bridges and subways;

Reviewing Waterloo Station structural options and redevelopment;

Managing the lifecycle of rolling stock assets utilised on the Wairarapa Line.

Port Investments Limited

PIL is an investment company for the Regional Council and holds the shares in CentrePort Ltd. PIL has a \$44,000,000 loan from WRC Holdings which, in the past, has been serviced by CentrePort dividends.

PIL profitability is affected by the level of dividend from Centreport and the interest cost on its debt.

At present the dividends from CentrePort are forecast for the next three years and interest rates are at historical lows.

9. Distribution of Profits to Shareholders

The dividend policy for each company will be reviewed by the Boards of each company from time to time, after taking account of the wishes of the Shareholder, the future circumstances and the successful achievements of the commercial objectives of each Company.

The expectation in terms of CentrePort is that the dividend will be the maximum practicable amount consistent with CentrePort's intention to increase asset values substantially through the reinvestment of profits.

The Directors of CentrePort have adopted a dividend policy that provides for dividends to be between 40% and 60% of underlying tax paid profit (excluding fair value changes). The target dividend pay-out ratio reflects free cash-flow after providing for capital expenditure plans and the Board's gearing targets.

In terms of the remainder of the WRC Holdings Group the expectation is that the dividends paid will be the maximum practical amount where appropriate. It is expected to be 100% of after tax earnings, excluding unrealised fair value adjustments.

10. Information to be Reported

The Group will maintain regular reporting to the Shareholder on the implementation of policies in accordance with statutory requirements and in particular will:

- a) Within three months after the end of each financial year, produce an audited set of financial statements that are consistent with International Financial Reporting Standards (IFRS). The Directors will also report on:
 - a summary of achievements measured against the performance targets
 - the dividend.
- b) Report to the Shareholder quarterly including the December half year result.
- c) Provide further financial information that meets Shareholder expectations (format and timetable to be agreed) on a regular basis.

11. Procedures for the Purchase and Acquisition of Shares

The Boards of WRC Holdings, PIL and GWRL will obtain the prior approval of the Regional Council before any of those companies subscribes for, purchases or otherwise acquires shares in any company or other organisation, which is external to the Group. NB: CentrePort is governed by a separate constitution.

GWRL subscribes for equity from WRCHL to cover capital expenditures, WRCHL in turn subscribes for equity from the Regional Council.

Section 60 of the Local Government Act 2002 requires that all decisions relating to the operation of the companies must be made in accordance with its SOI and its constitution.

12. Compensation

The non-Council Directors of WRC Holdings will receive remuneration and travel expenses as determined by Council from time to time.

Council Directors of WRCHL, PIL, and GWRL, will receive travelling expenses based on the rates applicable to members of the Council, and may receive remuneration in accordance with Council directives from time to time.

The WRCH Group of companies will seek compensation by agreement from the Regional Council for:

- a) Interest and financial costs relating to the provision of any inter-company loans, other financing arrangements and current account balances that may accrue.

Attachment 2 to Report 19.105

- b) Any other function, duty or power they wish the Group to carry out on their behalf and which involves the supply of goods and services.

13. Value of Shareholder's Investment

The valuation of investments will be undertaken as may be required from time to time by the Directors or Shareholders. The level of equity is the best proxy.

Port Investment Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective statement of comprehensive income

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
Revenue											
Interest received on GW current account	59,000	73,000	91,000	110,000	130,000	136,000	140,000	140,000	138,000	138,000	137,000
Imputed Dividends from Centriport	3,077,000	3,846,000	4,615,000	4,615,000	4,615,000	4,615,000	4,615,000	4,615,000	4,615,000	4,615,000	4,615,000
TOTAL REVENUE	3,136,000	3,919,000	4,706,000	4,725,000	4,745,000	4,751,000	4,755,000	4,755,000	4,753,000	4,753,000	4,752,000
Expenses											
Audit fees	7,000	8,000	8,200	8,405	8,615	8,831	9,051	9,278	9,509	9,747	9,991
Directors fees	18,333	20,000	20,500	21,013	21,538	22,076	22,628	23,194	23,774	24,368	24,977
Directors insurance	7,000	8,000	8,200	8,405	8,615	8,831	9,051	9,278	9,509	9,747	9,991
Interest expense	1,107,000	1,148,616	1,281,112	1,413,615	1,546,124	1,656,324	1,766,800	1,854,960	1,899,323	1,921,363	1,943,693
Legal fees	5,000	7,500	7,688	7,880	8,077	8,279	8,486	8,698	8,915	9,138	9,366
Management fee	75,000	75,000	76,875	78,797	80,767	82,786	84,856	86,977	89,151	91,380	93,665
Professional fees	25,200	45,000	46,125	47,278	48,460	49,672	50,913	52,186	53,491	54,828	56,199
Travel											
TOTAL EXPENSES	1,244,533	1,312,116	1,448,700	1,585,392	1,722,196	1,836,798	1,951,785	2,044,570	2,093,673	2,120,572	2,147,882
NET OPERATING SURPLUS	1,891,467	2,606,884	3,257,300	3,139,608	3,022,804	2,914,202	2,803,215	2,710,430	2,659,327	2,632,428	2,604,118
Taxation expense / -credit (subvention)											
NET SURPLUS AFTER TAX	1,891,467	2,606,884	3,257,300	3,139,608	3,022,804	2,914,202	2,803,215	2,710,430	2,659,327	2,632,428	2,604,118
Dividends paid	1,891,467	2,606,884	3,257,300	3,139,608	3,022,804	2,914,202	2,803,215	2,710,430	2,659,327	2,632,428	2,604,118
NET SURPLUS	0	0	0	0	0	0	0	0	0	0	0

Port Investment Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective balance sheet as at 30 June

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
SHAREHOLDERS FUNDS											
Retained earnings	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000
TOTAL SHAREHOLDERS FUNDS	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000
Represented by:											
CURRENT ASSETS											
Current account with GW	3,633,967	3,964,884	4,230,800	4,113,108	3,996,304	3,887,702	3,776,714	3,683,930	3,632,827	3,605,928	3,577,618
Dividends receivable	1,538,500	1,923,000	2,307,500	2,307,500	2,307,500	2,307,500	2,307,500	2,307,500	2,307,500	2,307,500	2,307,500
Bank & short term deposits	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL CURRENT ASSETS	5,173,467	5,888,884	6,539,300	6,421,608	6,304,804	6,196,202	6,085,214	5,992,430	5,941,327	5,914,428	5,886,118
Investment in CentrePort	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000
TOTAL ASSETS	49,173,467	49,888,884	50,539,300	50,421,608	50,304,804	50,196,202	50,085,214	49,992,430	49,941,327	49,914,428	49,886,118
CURRENT LIABILITIES											
Dividends payable	1,891,467	2,606,884	3,257,300	3,139,608	3,022,804	2,914,202	2,803,215	2,710,430	2,659,327	2,632,428	2,604,118
Current account with WRC Holdings	539,000	539,000	539,000	539,000	539,000	539,000	539,000	539,000	539,000	539,000	539,000
Payables	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000	84,000
TOTAL CURRENT LIABILITIES	2,514,467	3,229,884	3,880,300	3,762,608	3,645,804	3,537,202	3,426,215	3,333,430	3,282,327	3,255,428	3,227,118
Advance from WRC Holdings Ltd	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000
NET ASSETS	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000

Port Investment Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective statement of changes in equity

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
Opening equity	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000
Total comprehensive income for the year	1,891,467	2,606,884	3,257,300	3,139,608	3,022,804	2,914,202	2,803,215	2,710,430	2,659,327	2,632,428	2,604,118
Dividend to be paid	(1,891,467)	(2,606,884)	(3,257,300)	(3,139,608)	(3,022,804)	(2,914,202)	(2,803,215)	(2,710,430)	(2,659,327)	(2,632,428)	(2,604,118)
Closing equity	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000	2,659,000

Port Investment Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective statement of cashflows

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2018/23	Budget 2018/24	Budget 2018/25	Budget 2018/26	Budget 2018/26	Budget 2018/27	Budget 2018/27
Cashflows from operations											
Receipts from operations											
Interest received	59,000	73,000	91,000	110,000	130,000	136,000	140,000	140,000	138,000	138,000	137,000
Dividends received ex CPL	1,538,500	3,461,500	4,230,500	4,615,000	4,615,000	4,615,000	4,615,000	4,615,000	4,615,000	4,615,000	4,615,000
Payments to suppliers/employees	(137,533)	-163,500.0	(167,588)	(171,777)	(176,072)	(180,473)	(184,985)	(189,610)	(194,350)	(199,209)	(204,189)
Interest paid	(1,107,000)	(1,148,616)	(1,281,112)	(1,413,615)	(1,546,124)	(1,656,324)	(1,766,800)	(1,854,960)	(1,899,323)	(1,921,363)	(1,943,693)
Net cash from operating activities	352,967	2,222,384	2,872,800	3,139,608	3,022,804	2,914,202	2,803,215	2,710,430	2,659,327	2,632,428	2,604,118
Net cash from investing activities											
Cashflows from financing activities											
Loans											
Dividends paid		(1,891,467)	(2,606,884)	(3,257,300)	(3,139,608)	(3,022,804)	(2,914,202)	(2,803,215)	(2,710,430)	(2,659,327)	(2,632,428)
Movement in current accounts	(352,967)	(330,917)	(265,916)	117,692	116,804	108,602	110,988	92,785	51,103	26,899	28,310
Net cash from financing activities	(352,967)	(2,222,384)	(2,872,800)	(3,139,608)	(3,022,804)	(2,914,202)	(2,803,215)	(2,710,430)	(2,659,327)	(2,632,428)	(2,604,118)
Net increase/(decrease) in cash & cash eqvts	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Cash & cash equivalents at beginning of the yr	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Cash & cash equivalents at year end	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000

Greater Wellington Rail Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective statement of comprehensive income

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
Revenue											
Grant - Recovery of cost from GWRC	11,115,713	13,151,765	13,593,144	14,198,455	14,103,378	14,826,651	14,634,520	14,639,053	14,935,041	16,091,738	15,824,494
External revenue - Rentals Properties	67,366	67,366	68,511	69,539	70,652	71,782	73,002	74,316	75,728	77,167	78,711
Rental income (from TransDev)	6,356,576	6,356,576	6,464,638	6,561,607	6,666,593	6,773,259	6,888,404	6,828,166	6,957,901	7,090,101	7,231,903
TOTAL REVENUE	17,539,655	19,575,707	20,126,293	20,829,601	20,840,623	21,671,692	21,595,926	21,541,535	21,968,670	23,259,006	23,135,107
Expenses											
Audit fees	17,000	17,272	17,566	17,829	18,114	18,404	18,717	19,054	19,416	19,785	20,181
Directors fees	25,000	25,400	25,832	26,219	26,639	27,065	27,525	28,021	28,553	29,095	29,677
Directors insurance	6,000	6,096	6,194	6,299	6,406	6,521	6,639	6,765	6,893	7,031	7,172
Corporate Management Fee	53,196	54,047	54,966	55,790	56,683	57,590	58,569	59,623	60,756	61,910	63,149
Legal fees	5,115	5,197	5,285	5,364	5,450	5,538	5,632	5,733	5,842	5,953	6,072
Professional fees	50,000	50,800	51,664	52,439	53,278	54,130	55,050	56,041	57,106	58,191	59,355
Other Expenses - materials/travel	5,115	5,197	5,285	5,364	5,450	5,538	5,632	5,733	5,842	5,953	6,072
Transport - Admin/Management fee	1,784,574	2,881,888	3,072,895	3,085,665	3,218,311	3,283,792	3,254,163	3,364,239	3,390,457	3,454,612	3,563,116
Depreciation	19,333,995	20,519,216	20,984,132	22,211,832	20,843,113	22,770,145	24,222,450	25,015,540	25,551,623	25,219,477	25,997,639
Insurance	448,108	666,472	716,238	726,982	738,614	750,432	763,189	776,926	791,688	806,730	822,865
Vehicle services	12,022,872	12,010,666	12,128,208	12,807,783	12,607,174	13,357,463	13,225,802	13,021,920	13,393,412	14,521,075	14,254,231
Station expenditure	2,730,000	2,794,000	2,965,491	2,947,047	2,994,199	2,977,151	3,027,762	3,216,761	3,209,352	3,270,330	3,264,511
Carpark & station security	270,000	254,000	258,318	262,193	266,388	270,650	275,251	280,206	285,530	290,955	296,774
Studies & Investigations	400,000	406,400	413,309	419,508	426,221	433,040	440,402	448,329	456,847	465,527	474,838
Rates & Leases	392,000	398,272	405,043	411,118	417,696	424,379	431,594	252,185	256,977	261,859	267,096
Interest expense	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
TOTAL EXPENSES	37,662,974	40,164,923	41,180,425	43,111,433	41,753,736	44,511,837	45,888,376	46,627,075	47,590,293	48,548,482	49,202,746
NET OPERATING SURPLUS (DEFICIT)	(20,123,319)	(20,589,216)	(21,054,132)	(22,281,832)	(20,913,113)	(22,840,145)	(24,292,450)	(25,085,540)	(25,621,623)	(25,289,477)	(26,067,639)
Taxation expense (credit)	(5,634,529)	(5,764,980)	(5,895,157)	(6,238,913)	(5,855,672)	(6,395,241)	(6,801,886)	(7,023,951)	(7,174,055)	(7,081,053)	(7,298,939)
NET SURPLUS AFTER TAX	(14,488,790)	(14,824,236)	(15,158,975)	(16,042,919)	(15,057,441)	(16,444,904)	(17,490,564)	(18,061,589)	(18,447,569)	(18,208,423)	(18,768,700)

Greater Wellington Rail Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective balance sheet as at 30 June

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2026/27	Budget 2026/27
SHAREHOLDERS FUNDS											
Ordinary share capital	221,903,000	243,351,329	263,294,768	289,494,019	308,335,540	344,219,805	376,512,288	390,229,109	405,731,059	431,687,987	452,752,955
Opening retained earnings	107,878,001	93,389,212	78,564,976	63,406,001	47,363,082	32,305,641	15,860,737	(1,629,827)	(19,691,416)	(38,138,985)	(56,347,408)
Equity contributed	21,448,329	19,943,439	26,199,251	18,841,521	35,884,265	32,292,483	13,716,821	15,501,950	25,956,928	21,064,968	22,156,766
Current surplus/deficit after dividend	(14,488,790)	(14,824,236)	(15,158,975)	(16,042,919)	(15,057,441)	(16,444,904)	(17,490,564)	(18,061,589)	(18,447,569)	(18,208,423)	(18,768,700)
TOTAL SHAREHOLDERS FUNDS	336,740,540	341,859,744	352,900,020	355,698,622	376,525,446	392,373,025	388,599,282	386,039,643	393,549,003	396,405,547	399,793,613
Represented By:											
CURRENT ASSETS											
Accounts receivable	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000
Current account with GW	936,077	983,077	913,077	843,077	773,077	703,077	633,077	563,078	493,078	423,078	353,078
Bank & short term deposits	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
TOTAL CURRENT ASSETS	1,034,077	1,081,077	1,011,077	941,077	871,077	801,077	731,077	661,078	591,078	521,078	451,078
NON CURRENT ASSETS											
Transport Infrastructure	75,448,201	83,790,541	99,686,740	106,954,156	114,862,575	117,512,816	119,356,993	121,206,415	123,123,578	122,832,652	124,906,361
Rail rolling stock	325,006,133	316,088,017	305,406,937	294,769,211	301,901,944	308,774,041	296,424,234	285,061,223	283,549,365	279,685,782	273,771,199
Work In Progress	8,448,000	8,448,000	8,448,000	8,448,000	8,448,000	8,448,000	8,448,000	8,448,000	8,448,000	8,448,000	8,448,000
Intangibles	117,000										
TOTAL FIXED ASSETS	409,019,335	408,326,558	413,541,677	410,171,367	425,212,519	434,734,857	424,229,228	414,715,638	415,120,943	410,966,434	407,125,560
TOTAL ASSETS	410,053,412	409,407,635	414,552,754	411,112,444	426,083,596	435,535,934	424,960,305	415,376,716	415,712,020	411,487,511	407,576,638
CURRENT LIABILITIES											
Accrued Expenditure	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000
TOTAL CURRENT LIABILITIES	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000	5,209,000
NON CURRENT LIABILITIES											
Deferred taxation liability	68,103,872	62,338,891	56,443,734	50,204,821	44,349,150	37,953,909	31,152,023	24,128,072	16,954,018	9,872,964	2,574,025
TOTAL NON CURRENT LIABILITIES	68,103,872	62,338,891	56,443,734	50,204,821	44,349,150	37,953,909	31,152,023	24,128,072	16,954,018	9,872,964	2,574,025
NET ASSETS	336,740,540	341,859,744	352,900,020	355,698,622	376,525,446	392,373,025	388,599,282	386,039,643	393,549,003	396,405,547	399,793,613

Greater Wellington Rail Ltd**Operating budgets for the 10 years ended 30 June 2029****Asset additions**

	Budget 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2027/28
Park and Ride Development	1,100,000	613,200	627,304	640,477	654,567	668,968					
Ava Bridge South-End (gwr)	1,200,000										
Waterloo Park & Ride Development (gwrl)	750,000										
Park & Ride Ticketing Gates (gwrl)				4,550,766	4,757,853						
SW&SE Cars - Life Extension (gwrl)	300,000	3,754,256									
SE Cars - Life Extension (gwrl)		919,800	1,881,911	1,921,431							
DMU - Heavy Maint/Overhauls (GWRL)									3,796,227	3,996,193	
Wairarapa - Carriage Replacement (gwrl)					17,841,949	18,653,865					
Capex - Matangi 2 new trains	570,743										
Matangi - Midlife Refurbishment (gwrl)								3,705,495	8,944,140	6,145,660	
Capex Rail Rolling Stock Minor Improvements	250,000	260,712	272,576	284,423	297,366	310,898	325,682	341,835	359,491	378,427	398,750
Revenue - ROM Station / Carpark upgrades	3,387,000										
Capex - Rail Infrastructure Like for Like Renewals		2,555,000	2,613,765	2,668,654	2,727,364	2,787,366	2,851,476	2,919,911	2,992,909	3,067,732	3,147,493
Capex - Rail Infrastructure Improvements <250k	1,000,000	1,022,000	1,045,506	1,067,462	1,090,946	1,114,947	1,140,590	1,167,965	1,197,164	1,227,093	1,258,997
Insurance Related Rail Improvements	1,200,000										
Security Related Rail Improvements		511,000	522,753	533,731	545,473	278,737	285,148	291,991	299,291	306,773	314,749
Capex - SW&SE Cars Heavy Maint/Overhauls	592,666	73,305	449,093	863,578			287,839	905,918	1,107,948	821,371	156,463
Capex - Matangi Heavy Maint/Overhauls	4,497,920	2,489,184	3,502,645	4,062,308	5,667,908	6,123,450	6,414,633	3,696,172	4,721,635	4,970,347	14,328,316
RS1 - Station Upgrades		3,000,000									
Wngtn Stn Passenger Information System (gwrl)	1,500,000										2,392,498
CCTV System Renewals (gwrl)	100,000	104,285	109,030	113,769	118,946	124,359	130,273	136,734	143,796	151,371	159,500
Strength & Access-Buildings & Structures (gwrl)	2,000,000	2,044,000	2,091,012	2,134,923	2,181,892	2,229,893	2,281,181	2,335,929	2,394,327		
Signage (gwrl)	2,000,000	2,085,698	2,180,609								
Bike Storage (gwrl)	500,000	511,000									
Renew Waterloo Railway Station roof	500,000		10,903,047								
	21,448,329	19,943,439	26,199,251	18,841,521	35,884,265	32,292,483	13,716,821	15,501,950	25,956,928	21,064,968	22,156,766

Greater Wellington Rail Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective statement of changes in equity

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2026/27	Budget 2026/27
Opening equity	329,781,001	336,740,540	341,859,744	352,900,020	355,698,622	376,525,446	392,373,025	388,599,282	386,039,643	393,549,003	396,405,547
Shares to be issued during the year	21,448,329	19,943,439	26,199,251	18,841,521	35,884,265	32,292,483	13,716,821	15,501,950	25,956,928	21,064,968	22,156,766
Total comprehensive income for the year	(14,488,790)	(14,824,236)	(15,158,975)	(16,042,919)	(15,057,441)	(16,444,904)	(17,490,564)	(18,061,589)	(18,447,569)	(18,208,423)	(18,768,700)
Gain on revaluation	0	0	0	0	0	0	0	0	0	0	0
Closing equity	336,740,540	341,859,744	352,900,020	355,698,622	376,525,446	392,373,025	388,599,282	386,039,643	393,549,003	396,405,547	399,793,613

Greater Wellington Rail Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective statement of cashflows

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2026/27	Budget 2026/27
Cashflows from operations											
Receipts from operations	17,539,655	19,575,707	20,126,293	20,829,601	20,840,623	21,671,692	21,595,926	21,541,535	21,968,670	23,259,006	23,135,107
Interest received	0	0	0	0	0	0	0	0	0	0	0
Payments to suppliers/employees	(18,814,579)	(19,645,707)	(20,196,293)	(20,899,601)	(20,910,623)	(21,741,692)	(21,665,926)	(21,611,535)	(22,038,670)	(23,329,006)	(23,205,107)
<i>Net cash from operating activities</i>	<i>(1,274,923)</i>	<i>(70,000)</i>									
Cashflow from investing activities											
Purchase of fixed assets	(21,407,328)	(19,826,439)	(26,199,251)	(18,841,521)	(35,884,265)	(32,292,483)	(13,716,821)	(15,501,950)	(25,956,928)	(21,064,968)	(22,156,766)
<i>Net cash from investing activities</i>	<i>(21,407,328)</i>	<i>(19,826,439)</i>	<i>(26,199,251)</i>	<i>(18,841,521)</i>	<i>(35,884,265)</i>	<i>(32,292,483)</i>	<i>(13,716,821)</i>	<i>(15,501,950)</i>	<i>(25,956,928)</i>	<i>(21,064,968)</i>	<i>(22,156,766)</i>
Cashflows from financing activities											
Issue of shares	21,448,329	19,943,439	26,199,251	18,841,521	35,884,265	32,292,483	13,716,821	15,501,950	25,956,928	21,064,968	22,156,766
Movement in current account	1,233,923	(47,000)	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000
<i>Net cash from financing activities</i>	<i>22,682,252</i>	<i>19,896,439</i>	<i>26,269,251</i>	<i>18,911,521</i>	<i>35,954,265</i>	<i>32,362,483</i>	<i>13,786,821</i>	<i>15,571,950</i>	<i>26,026,928</i>	<i>21,134,968</i>	<i>22,226,766</i>
Net increase/(decrease) in cash & cash eqvts	0	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents at beginning of the yr	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Cash & cash equivalents at year end	1,000										

WRC Holdings Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective statement of comprehensive income

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
Revenue											
Interest received on GW current account	48,000	62,000	71,000	81,000	98,000	106,000	113,000	116,000	118,000	119,000	119,000
Interest received from PIL	1,107,000	1,148,616	1,281,112	1,413,615	1,546,124	1,656,324	1,766,800	1,854,960	1,899,323	1,921,363	1,943,693
Dividends received from PIL	1,891,467	2,606,884	3,257,300	3,139,608	3,022,804	2,914,202	2,803,215	2,710,430	2,659,327	2,632,428	2,604,118
TOTAL REVENUE	3,046,467	3,817,500	4,609,413	4,634,223	4,666,928	4,676,527	4,683,015	4,681,390	4,676,650	4,672,791	4,666,811
Expenses											
Audit fees	25,000	25,000	25,625	26,266	26,922	26,922	27,595	27,595	28,285	28,285	28,992
Bank & Facility Fees Council	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000	110,000
Depreciation											
Directors fees	20,000	20,000	20,500	21,013	21,538	21,538	22,076	22,076	22,628	22,628	23,194
Directors insurance	8,000	8,000	8,200	8,405	8,615	8,615	8,831	8,831	9,051	9,051	9,278
Interest expense	987,000	1,028,366	1,160,606	1,292,846	1,425,086	1,535,286	1,645,486	1,733,646	1,777,726	1,799,766	1,821,806
Legal fees	7,500	7,500	7,688	7,880	8,077	8,077	8,279	8,279	8,486	8,486	8,698
Trustee & Rating Agency Fees	5,000	5,125	5,253	5,384	5,519	5,519	5,657	5,657	5,798	5,798	5,943
Registry Fees	5,000	5,125	5,253	5,384	5,519	5,519	5,657	5,657	5,798	5,798	5,943
Management fees	75,000	76,875	78,797	80,767	82,786	82,786	84,856	84,856	86,977	86,977	89,151
Professional fees	34,300	35,000	35,875	36,772	37,691	37,691	38,633	38,633	39,599	39,599	40,589
Other Expenses											
Travel	1,000	1,024	1,049	1,074	1,100	1,100	1,126	1,126	1,153	1,153	1,181
Total operating expenses	1,277,800	1,322,015	1,458,845	1,595,790	1,732,853	1,843,053	1,958,196	2,046,356	2,095,502	2,117,542	2,144,776
Impairment of investments (PHL)											
Impairment of investments (GWRL)											
TOTAL EXPENSES	1,277,800	1,322,015	1,458,845	1,595,790	1,732,853	1,843,053	1,958,196	2,046,356	2,095,502	2,117,542	2,144,776
NET OPERATING SURPLUS	1,768,667	2,495,485	3,150,567	3,038,433	2,934,076	2,833,474	2,724,819	2,635,034	2,581,148	2,555,249	2,522,035

WRC Holdings Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective balance sheet as at 30 June

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
SHAREHOLDERS FUNDS											
Ordinary share capital	277,892,993	297,836,432	324,035,683	342,877,204	378,761,469	411,053,952	424,770,773	440,272,723	466,229,651	487,294,619	509,451,385
Opening retained earnings	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)
Current surplus/deficit	1,768,667	2,495,485	3,150,567	3,038,433	2,934,076	2,833,474	2,724,819	2,635,034	2,581,148	2,555,249	2,522,035
Dividends declared	(1,768,667)	(2,495,485)	(3,150,567)	(3,038,433)	(2,934,076)	(2,833,474)	(2,724,819)	(2,635,034)	(2,581,148)	(2,555,249)	(2,522,035)
Retained earnings	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)	(31,412,664)
TOTAL SHAREHOLDERS FUNDS	246,480,329	266,423,768	292,623,019	311,464,540	347,348,805	379,641,288	393,358,109	408,860,059	434,816,987	455,881,955	478,038,721
Represented by:											
CURRENT ASSETS											
Current account with GW	3,086,136	3,097,537	3,102,203	3,107,761	3,120,207	3,128,207	3,130,540	3,133,540	3,130,757	3,131,757	3,126,853
Dividends receivable	1,891,467	2,606,884	3,257,300	3,139,608	3,022,804	2,914,202	2,803,215	2,710,430	2,659,327	2,632,428	2,604,118
Accounts receivable	93,400	93,400	93,400	93,400	93,400	93,400	93,400	93,400	93,400	93,400	93,400
Bank & short term deposits	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
TOTAL CURRENT ASSETS	5,075,003	5,801,821	6,456,903	6,344,769	6,240,412	6,139,810	6,031,155	5,941,370	5,887,484	5,861,585	5,828,371
FIXED ASSETS											
Land											
Buildings											
Furniture & fittings											
Other property, plant and equipment											
TOTAL FIXED ASSETS											
Advance to PIL	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000	44,000,000
Investment in subsidiaries	243,350,993	263,294,432	289,493,683	308,335,204	344,219,469	376,511,952	390,228,773	405,730,723	431,687,651	452,752,619	474,909,385
TOTAL INVESTMENTS	287,350,993	307,294,432	333,493,683	352,335,204	388,219,469	420,511,952	434,228,773	449,730,723	475,687,651	496,752,619	518,909,385
TOTAL ASSETS	292,425,996	313,096,253	339,950,586	358,679,973	394,459,881	426,651,762	440,259,928	455,672,094	481,575,135	502,614,204	524,737,756
CURRENT LIABILITIES											
Current account with GW											
Dividends payable	1,768,667	2,495,485	3,150,567	3,038,433	2,934,076	2,833,474	2,724,819	2,635,034	2,581,148	2,555,249	2,522,035
Other Financial liabilities											
Payables	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000	97,000
TOTAL CURRENT LIABILITIES	1,865,667	2,592,485	3,247,567	3,135,433	3,031,076	2,930,474	2,821,819	2,732,034	2,678,148	2,652,249	2,619,035
Term Loan - CBA facility	44,080,000	44,080,000	44,080,000	44,080,000	44,080,000	44,080,000	44,080,000	44,080,000	44,080,000	44,080,000	44,080,000
NET ASSETS	246,480,329	266,423,768	292,623,019	311,464,540	347,348,805	379,641,288	393,358,109	408,860,059	434,816,987	455,881,955	478,038,721

WRC Holdings Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective statement of changes in equity

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
Opening equity	225,032,000	246,480,329	266,423,768	292,623,019	311,464,540	347,348,805	379,641,288	393,358,109	408,860,059	434,816,987	455,881,955
Shares to be issued during the year	21,448,329	19,943,439	26,199,251	18,841,521	35,884,265	32,292,483	13,716,821	15,501,950	25,956,928	21,064,968	22,156,766
Total comprehensive income for the year	1,768,667	2,495,485	3,150,567	3,038,433	2,934,076	2,833,474	2,724,819	2,635,034	2,581,148	2,555,249	2,522,035
Dividend to be paid	(1,768,667)	(2,495,485)	(3,150,567)	(3,038,433)	(2,934,076)	(2,833,474)	(2,724,819)	(2,635,034)	(2,581,148)	(2,555,249)	(2,522,035)
Closing equity	246,480,329	266,423,768	292,623,019	311,464,540	347,348,805	379,641,288	393,358,109	408,860,059	434,816,987	455,881,955	478,038,721

WRC Holdings Ltd
Operating budgets for the 10 years ended 30 June 2029
Prospective statement of cashflows

	Forecast 2018/19	Budget 2019/20	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	Budget 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28	Budget 2028/29
Cashflows from operations											
Interest received - PIL & GW C/Account	1,155,000	1,210,616	1,352,112	1,494,615	1,644,124	1,762,324	1,879,800	1,970,960	2,017,323	2,040,363	2,062,693
Dividends received	0	1,891,467	2,606,884	3,257,300	3,139,608	3,022,804	2,914,202	2,803,215	2,710,430	2,659,327	2,632,428
Payments to suppliers/employees	(290,800)	(293,649)	(298,239)	(302,944)	(307,767)	(307,767)	(312,710)	(312,710)	(317,776)	(317,776)	(322,970)
Interest paid	(987,000)	(1,028,366)	(1,160,606)	(1,292,846)	(1,425,086)	(1,535,286)	(1,645,486)	(1,733,646)	(1,777,726)	(1,799,766)	(1,821,806)
Net cash from operating activities	(122,800)	1,780,068	2,500,151	3,156,125	3,050,879	2,942,076	2,835,807	2,727,819	2,632,251	2,582,148	2,550,345
Cashflow from investing activities											
Purchase of shares	(21,448,329)	(19,943,439)	(26,199,251)	(18,841,521)	(35,884,265)	(32,292,483)	(13,716,821)	(15,501,950)	(25,956,928)	(21,064,968)	(22,156,766)
Net cash from investing activities	(21,448,329)	(19,943,439)	(26,199,251)	(18,841,521)	(35,884,265)	(32,292,483)	(13,716,821)	(15,501,950)	(25,956,928)	(21,064,968)	(22,156,766)
Cashflows from financing activities											
Dividends paid		(1,768,667)	(2,495,485)	(3,150,567)	(3,038,433)	(2,934,076)	(2,833,474)	(2,724,819)	(2,635,034)	(2,581,148)	(2,555,249)
Issue of shares	21,448,329	19,943,439	26,199,251	18,841,521	35,884,265	32,292,483	13,716,821	15,501,950	25,956,928	21,064,968	22,156,766
Movement in current account	122,800	(11,401)	(4,666)	(5,558)	(12,447)	(8,000)	(2,333)	(3,000)	2,784	(1,000)	4,903
Net cash from financing activities	21,571,129	18,163,371	23,699,100	15,685,396	32,833,386	29,350,408	10,881,014	12,774,131	23,324,677	18,482,820	19,606,420
Net increase/(decrease) in cash & cash eqvts	0	0	0	0	0	0	0	0	0	0	0
Cash & cash equivalents at beginning of the yr	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Cash & cash equivalents at year end	4,000										



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Committee Council
Author Matthias Zuschlag – Treasury Accountant

Local Government Funding Agency's Draft Statement of Intent 2019/20

1. Purpose

To consider the Local Government Funding Agency's (LGFA) draft statement of intent (SOI) and, if necessary, provide feedback to the LGFA Board via the Shareholders' Council by 30 April 2019.

2. Background

The LGFA was established on 6 December 2011 and being a Council Controlled Trading Organisation (CCTO), it is required to prepare a Statement of Intent to its shareholders.

Greater Wellington Regional Council (GWRC) is one of nine foundation shareholders of the LGFA and holds \$1.866 million of the \$25 million share capital.

The Shareholders' Council represents the interest of the shareholders of the LGFA, and consists of representatives from 10 Council shareholders. GWRC has currently no representative on the Shareholders' Council (SC). Mike Timmer – Treasurer – our previous representative is now a board member of the LGFA.

The principal role of the Shareholders' Council is to monitor the LGFA and to provide a focal point for LGFA communication. The Council has formal meetings and meets around five times a year.

The Shareholders' Council has developed its own charter, provided assistance with debt settlements, developed a monitoring framework for the LGFA, and provides a Letter of Expectation to the LGFA in relation to its SOI and business operation.

3. Statement of Intent

The draft SOI is discussed below and is appended as [Attachment 1](#).

A copy of the letter from the Chief Executive of the LGFA introducing the draft SOI is appended as [Attachment 2](#).

It is important to note that the financial forecast reflected in the SOI includes significant uncertainty relating to councils' decisions regarding the amount and timing of refinancing their April 2020, May 2021 and April 2022 Bond maturities.

A brief summary of the financial information is detailed below:

- LGFA profitability remains strong; profits are forecast to be \$10.9 million in 2019/20, \$11.2 million in 2020/21 before declining slightly to \$10.9 million in 2021/22.
- Net interest income forecast at \$18.4 million in 2019/20 and increases to around \$19 million in the following two years. The operating expenses are forecasted to increase from \$7.6 million in the 2019/20 year to \$7.8 million in the 2020/21 and \$8.0 million in the final year. Higher issuance and on-lending costs are the main reason.
- On the Balance sheet the retained earnings are forecast to increase by \$33 million over the three year period, with \$104.6 million of total equity accumulating by June 2022. When the borrower notes are added to the equity they collectively represent is 2.5% of the total assets in 2021/22 a slight improvement on the forecasted 2.4% at the end of the 2019/20 year.
- Lending to councils (short and long term) is forecast to increase to \$9.56 billion by 30 June 2020, which is about a \$1.1 billion increase on the final 2018/19 SOI. This reflects the higher long term borrowing requirement outlined by Councils in their 2018-28 Long Term Plans. The total loans are forecast to be \$9.87 billion by June 2021.
- The Dividend Policy is unchanged and provides an annual rate of return to the shareholder equal to LGFA fixed rate bond cost plus 2% over the medium term. It needs to be noted that the LGFA seeks to maximise benefits to its borrowers rather than its shareholders and indicates a steady dividend of \$1.5 million each year.
- The average base on-lending margin charged to borrowing Councils to cover LGFA operating costs is forecast to remain at 0.10% over the three years.
- The SOI performance targets are similar to the previous SOI, except they have replaced the objective relating to savings to council borrowers with a survey-based measure as to the perceived "value add" by the LGFA to councils. This is due to the fact that there is a lack of Councils issuing in their own names against which rates could be compared.

Officers do not have any comments on the SOI that they recommend be passed on to the Shareholders Council.

4. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

4.1 Significance of the decision

Part 6 requires Greater Wellington Regional Council to consider the significance of the decision. The term 'significance' has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council's significance and engagement policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

4.2 Engagement

Engagement on the matters contained in this report aligns with the level of significance assessed. In accordance with the significance and engagement policy, no engagement on the matters for decision is required.

5. Recommendations

That the Council:

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Receives the draft Statement of Intent of the Local Government Funding Agency and determines any comments or recommendations for the GM Corporate Services to communicate to the LGFA via the Shareholders' Council.***

Report prepared by:

Matthias Zuschlag
Treasury Accountant

Report approved by:

Samantha Gain
GM Corporate Services

Attachment 1 - Draft Statement of Intent 2019/20 of the LGFA

Attachment 2 - Letter to Shareholders from the LGFA Chief Executive



Statement of Intent 2019/20

1. Introduction

This Statement of Intent (SOI) sets out the intentions and expectations of New Zealand Local Government Funding Agency Limited (LGFA).

The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

2. Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

In lending to Participating Local Authorities, LGFA will:

- Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- Educate and inform Participating Local Authorities on matters within the scope of LGFA's operations;
- Provide excellent service to Participating Local Authorities;
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- Ensure its products and services are delivered in a cost-effective manner.

3. Objectives

Principal Objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- Achieve the objectives and performance targets of the shareholders in LGFA (both commercial and non-commercial) as specified in this SOI;
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- Conduct its affairs in accordance with sound business practice.

Primary Objectives

LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:

- Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;
- Offering short and long-term borrowings with flexible lending terms;
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
- Being the debt funder of choice for New Zealand local government.

LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes

- LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and endeavour to visit each Participating Local Authority on an annual basis;
- Implement the changes to the Foundation Policies that were approved at the November 2018 AGM to allow for lending to CCOs. Changes to operational policies and practices need to ensure that no additional risk is borne by lenders, guarantors or the Crown and
- LGFA will analyse finances at the Council group level where appropriate and report to the Shareholder Council and shareholders as to which Participating Local Authorities are measured on a group basis.

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.

Additional objectives

LGFA has a number of additional objectives which complement the primary objectives. These objectives will be measurable and achievable and the performance of the company in achieving its objectives will be reported annually. These additional objectives are to:

- Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy;
- Provide at least 75% of aggregate long-term debt funding to the Local Government sector;
- Achieve the financial forecasts (excluding the impact of AIL) set out in section 4;
- Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4;
- Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015;
- Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency;
- Introduce CCO lending by December 2019 and report quarterly, the volume of lending to CCOs to both the Shareholder Council and shareholders and
- Comply with its Treasury Policy, as approved by the Board.

The measurement of the company performance regarding these additional objectives are set out as Performance Targets in Section 5 of this SOI.

4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2022 are:

FINANCIAL YEAR (\$M)	SOI		
	Jun-20	Jun-21	Jun-22
Comprehensive income			
Interest income	272.1	293.2	294.0
Interest expense	253.6	274.2	275.1
Net Interest income	18.4	19.0	18.9
Issuance and on-lending costs	2.3	2.4	2.4
Approved Issuer Levy	1.5	1.6	1.6
Operating expenses	3.7	3.9	4.0
Issuance and operating expenses	7.6	7.8	8.0
P&L	10.9	11.2	10.9
Financial position (\$m)			
Capital	25.0	25.0	25.0
Retained earnings	60.5	70.2	79.6
Total equity	85.5	95.2	104.6
Shareholder funds + borrower notes / Total assets	2.4%	2.5%	2.5%
Dividend provision	1.5	1.5	1.5
Total assets (nominal)	9,743.9	9,953.8	10,164.3
Total LG loans - short term (nominal)	460.0	460.0	460.0
Total LG loans (nominal)	9,100.2	9,346.0	9,418.7
Total bills (nominal)	425.0	425.0	425.0
Total bonds (nominal) ex treasury stock	9,064.0	9,264.0	9,454.0
Total borrower notes (nominal)	145.6	149.5	150.7

Note that there is some forecast uncertainty around the timing of Net Interest Income, Profit and Loss, Total Assets, LG Loans, Bonds and Borrower Notes depending upon council decisions regarding the amount and timing of refinancing of their April 2020, May 2021 and April 2022 loans. LGFA will work with council borrowers to reduce this uncertainty.

5. Performance targets

LGFA has the following performance targets:

- LGFA's net interest income for the period to:
 - 30 June 2020 will be greater than \$18.40 million.

- 30 June 2021 will be greater than \$19.00 million.
- 30 June 2022 will be greater than \$18.90 million.
- LGFA's annual issuance and operating expenses (excluding AIL) for the period to:
 - 30 June 2020 will be less than \$6.10 million.
 - 30 June 2021 will be less than \$6.20 million.
 - 30 June 2022 will be less than \$6.40 million.
- Total lending to Participating Local Authorities¹ at:
 - 30 June 2020 will be at least \$9,560 million.
 - 30 June 2021 will be at least \$9,806 million.
 - 30 June 2022 will be at least \$9,879 million.
- Conduct an annual survey of councils who borrow from LGFA and achieve at least an 80% satisfaction score as to the value added by LGFA to the council borrowing activities.
- Meet all lending requests from Participating Local Authorities, where those requests meet LGFA operational and covenant requirements.
- Achieve 75% market share of all council borrowing in New Zealand.
- Review each Participating Local Authority's financial position, its headroom under LGFA policies and arrange to meet each Participating Local Authority at least annually.
- No breaches of Treasury Policy, any regulatory or legislative requirements including the Health and Safety at Work Act 2015.
- Successfully refinance of existing loans to councils and LGFA bond maturities as they fall due.
- Maintain a credit rating equal to the New Zealand Government rating where both entities are rated by the same credit rating agency.

6. Dividend policy

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders. Consequently, it is intended to pay a limited dividend to Shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

¹ Subject to the forecasting uncertainty noted previously

7. Governance

Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice² with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter, to be reviewed from time to time in consultation with Shareholders.

The Board will meet on a regular basis and no fewer than 6 times each year.

Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

8. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

² Best practice as per NZX and Institute of Directors guidelines

Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act and Financial Reporting Act. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Comparison of LGFA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Local Authorities (in credit rating bands).
- Comparison of LGFA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).

- To the extent known by LGFA, details of all events of review in respect of any Participating Local Authority that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).

Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

9. Acquisition/divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

10. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such as activities.

Currently there are no activities for which compensation will be sought from Shareholders.

11. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considers that at establishment the commercial value of LGFA was equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA was at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equated to a value per share of \$1.00.

12. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

The following statement is taken from the Financial Statements presented as part of LGFA's Annual Report 2018 (updated where necessary).

ATTACHMENT: Statement of accounting policies

a. Reporting Entity

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

b. Statement of Compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

c. Basis of Preparation

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

There have been no changes in accounting policies.

Early adoption standards and interpretations

NZ IFRS 9: Financial Instruments. The first two phases of this new standard were approved by the Accounting Standards Review Board in November 2009 and November 2010. These phases address the issues of classification and measurement of financial assets and financial liabilities.

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. Those which may be relevant to LGFA are as follows:

NZ IFRS 9: Financial Instruments (2014) – Effective for periods beginning on or after 1 January 2018. This standard aligns hedge accounting more closely with the risk management activities of the entity and adds requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit.

d. Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit, bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date an assessment is made whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

e. Other assets

Property, plant and equipment (PPE)

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible Assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

f) Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

g) Revenue and expenses

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

h. Lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

i. Segment reporting

LGFA operates in one segment being funding of participating local authorities in New Zealand.

j. Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate used to calculate present values. Refer note 2b for fair value determination for financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future

periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.



27 February 2019

Dear Shareholder

Draft Statement of Intent 2019/20

Please find attached a copy of the Draft Statement of Intent (SOI) for the 2019/20 year.

LGFA continues to focus on delivering strong results for both our council borrowers and shareholders.

For our borrowing councils we seek to optimize funding terms and conditions by

- Achieving savings in borrowing costs
- Provide longer dated funding and
- Provide certainty of access to markets

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality
- Enhancing our approach to treasury and risk management and
- Ensuring we have the correct governance framework and capital structure in place

The following points regarding the Draft 2019/20 SOI are worth noting:

- Profitability is forecast to remain strong with projections for Net Operating Gain of \$10.9 million, \$11.2 million and \$10.9 million for the next three years, which is similar to results from previous years. However, we remain cautious in placing too much emphasis on the Year Three (2021/22) forecast given that over the next three years, we estimate that \$3.6 billion of our LGFA bonds and \$3.0 billion of council loans mature. Assumptions regarding timing of refinancing and interest rates have a meaningful impact on financial projections.
- Net interest income is expected to remain constant over the next three years as the balance sheet grows from council lending and we hold additional liquid assets to manage the LGFA bond maturities. However, this is offset by a modest reduction in on-lending margins as loans to councils made in previous years at higher margins are refinanced by councils at maturity with lower margin loans.
- We have increased our forecast for Local Government loans (short and long term) outstanding as at June 2020 to \$9.524 billion and to \$9.806 billion as at June 2021 (from \$8.421 billion and \$8.185 billion in the previous SOI). This reflects the higher long-term borrowing requirement outlined by councils in their 2018-28 Long-Term Plans, increased utilisation of short term borrowing from LGFA by councils and a surge in new council

members who typically refinance their debt with LGFA upon joining. In last year's SOI, we had also been conservative in expecting a reduction in borrowing appetite from councils because of the Housing Infrastructure Fund facility and other Central Government initiatives.

- We have assumed a small narrowing in credit margins as the credit quality of the sector improves and councils get ratings upgrades. There are no forecast changes to the on-lending margins given the base lending margin now averages 10 bps (0.10%). Any further reductions in the base margin is unlikely as we need to ensure we have enough capital to match the growth in the balance sheet. LGFA on-lending margins are the narrowest when compared with our international peers.
- Compared to the previous SOI, issuance and on-lending costs, excluding Approved Issuer Levy ("AIL") are forecast to be around \$200k to \$300k higher in each of the 2019/20 and 2020/21 financial years reflecting higher lending and issuance volumes.
- The SOI performance targets are similar to targets in the previous SOI except we have replaced the objective relating to savings to council borrowers with a survey-based measure as to the perceived "value add" by LGFA to councils. It has become increasingly difficult to accurately measure savings in borrowing costs due to the lack of single name bond issuance by councils who are not members of LGFA.
- As noted above, there is some timing uncertainty within the SOI forecast relating to Local Government loans and LGFA bonds outstanding as we need to project both the repayment amount and repayment timing of the Local Government loans that are due to mature in April 2020, May 2021 and April 2022. Decisions made by our council members regarding early refinancing will have a phasing impact across all three years in the SOI forecast.

If you have any questions or wish to provide comments by 30 April 2019 then please feel free to contact myself or any member of the Shareholders Council. The LGFA Board will consider any feedback received and provide a final version of the SOI to shareholders by 30 June 2019.

Yours sincerely



Mark Butcher
Chief Executive

Exclusion of the public**Report 19.143**

That the Council:

Excludes the public from the following part of the proceedings of this meeting, namely:

1. *Insurance – below ground bulk water supply assets*
2. *PT Ticketing Event Opportunity*

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

<i>General subject of each matter to be considered:</i>	<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground under section 48(1) for the passing of this resolution</i>
1. <i>Insurance - below ground bulk water supply assets</i>	<i>This report contains information provided by insurance providers relating to pricing for the renewal of GWRC's insurance. Release of this information would likely prejudice the insurers' commercial position as it would reveal their pricing. GWRC has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override this prejudice to the insurers' commercial position.</i>	<i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information which good reason for withholding exists under section 7(2)(b)(ii) of the Act (i.e. would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.)</i>
2. <i>PT Ticketing Event Opportunity</i>	<i>The information contained in this report relates to an event ticketing opportunity. The report outlines terms of the proposed ticketing agreement which is still subject to negotiation and acceptance. Having this part of the meeting open to the public would disadvantage GWRC if further negotiations were to take place as it would reveal</i>	<i>That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 7(2)(i) of the Act (i.e. to carry out negotiations without</i>

*GWRC's negotiation strategy. prejudice).
GWRC Greater Wellington
Regional Council has not been
able to identify a public interest
favouring disclosure of this
particular information in public
proceedings of the meeting that
would override this prejudice.*

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified above.