

Before an Independent Hearings Panel of Greater Wellington Regional Council

<b>Under the</b>	Schedule 1 of the Resource Management Act 1991 ( <b>RMA</b> )
<b>In the matter</b>	proposed change 1 to the Natural Resources Plan for the Wellington Region
<b>Hearing Topic</b>	Hearing Stream 2 – Objectives and Ecosystem health policies

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**STATEMENT OF EVIDENCE OF MICHAEL ANTHONY MENDONÇA ON BEHALF OF  
PORIRUA CITY COUNCIL**

**CORPORATE**

**14 MARCH 2025**

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## **1. INTRODUCTION**

**1.1** My full name is Michael Anthony Mendonça, MBE. I am employed by the Porirua City Council (**PCC**) as General Manager Infrastructure. I have been in this role since January 2024.

**1.2** I have prepared this statement of evidence on behalf of PCC to provide infrastructure planning and finance related evidence in support of PCC's submission to Greater Wellington Regional Council's (**GW**) Proposed Change 1 (**Change 1**) to the Natural Resources Plan for the Wellington Region (**NRP**).

**1.3** Specifically, this statement of evidence relates to the matters in Hearing Stream 2 – Objectives and Ecosystem health policies (**HS2**).

**1.4** I am authorised to provide this evidence on behalf of PCC. While I am an employee of PCC, I am giving this evidence as an infrastructure planning expert, and the views I express in this evidence are my own.

## **2. QUALIFICATIONS AND EXPERIENCE**

**2.1** I hold a Bachelor of Arts, Master of Business Administration, Diploma in Humanities, graduate RNZAF Command and Staff College (psc).

**2.2** I chair the Resilient Westport Steering Group, and have recently stepped down as the chair of QuakeCORE, the earthquake and resilience research Centre of Excellence. I am a member of Taituarā – the Society of Local Government Managers.

**2.3** I have previously been the Manager of CitiOperations at Wellington City Council, directly providing (among other things) stormwater and wastewater maintenance services to Wellington City. I was then Director of Operations at the Ministry for the Environment where I oversaw (among other things) freshwater funds and aspects of environmental regulation.

**2.4** I returned to Wellington City Council in senior infrastructure and resilience roles, including as Recovery Manager following the Kaikoura earthquakes, and being responsible for three waters. In 2021, I moved to Kāpiti Coast District Council as part of its leadership team, where at that time a major focus was flooding and coastal inundation. All roles that I have held at various local authorities and at the Ministry for the Environment involved experience in managing human impacts on the environment.

### **3. CODE OF CONDUCT**

**3.1** Although I have professional qualifications, and experience on matters relating to HS2, as outlined above I am giving this evidence as a representative of PCC, rather than as an independent expert witness.

**3.2** To the extent that my evidence addresses matters of technical detail, in respect of which I have experience, I can confirm I have been provided with and agree to comply with the Code of Conduct for Expert Witnesses set out in the Environment Court's Practice Note 2023.

### **4. SCOPE OF EVIDENCE**

**4.1** This evidence relates to PCC's stormwater and wastewater infrastructure and the affordability of the investment that would be required for PCC to meet the water quality targets proposed through GW's Change 1.

**4.2** My evidence will cover the following matters:

(a) PCC's commitment to improving harbour and catchment water quality.

(b) New and improved infrastructure required to meet the stormwater and wastewater related targets in Change 1; and PCC's ability to fund these upgrades.

(c) My position on the revised Target Attribute States set out in the section 42A report.

**4.3** In preparing my evidence I have worked with Ms Vanessa Rodgers, who has prepared planning evidence for PCC. I am aware of the notified Change 1 provisions, and technical assessments prepared for GW, and have considered the section 42A report and the revised position now recommended to the Panel. I have not reviewed all material in detail, as that is a matter better left for the technical experts.

**4.4** I have addressed the above matters from a corporate perspective in the following sections of my evidence.

## **5. PCC'S COMMITMENT TO IMPROVING WATER QUALITY**

**5.1** Much of Porirua's water related infrastructure was constructed in the 50s and 60s as the government of the day invested heavily in the creation of social and low-cost housing for a growing regional labour force. Since then, Porirua has continued to grow and is now a city with a population of over 60,000 people who cover both ends of the wealth continuum. The city also provides many services, including sewage treatment for the northern suburbs of Wellington which are also located within the Porirua Harbour catchment.

**5.2** As Porirua and the Northern Suburbs of Wellington have grown there has been an ongoing gradual degradation of the harbour. Existing sediment loads are a significant issue for the harbour's ecology, while wastewater overflows and leakage remain a risk to those who interact with the harbour for recreation or mahinga kai.

**5.3** There are just over 20,000 rateable properties in Porirua city and PCC is heavily dependent on rates for funding the city's infrastructure needs and the operation of its three water services. PCC's only significant money-

generating asset is the Spicer Landfill which has its own set of odour and capacity challenges. This means that PCC's rates are some of the highest in the region, and therefore public support is a prerequisite for council investment.

**5.4** Porirua Harbour is a unifying feature of our city and is something which our residents and mana whenua care deeply about. PCC has a long-standing strategic objective: Commit to the health of Te Awarua-o-Porirua Harbour and its catchment through investment, advocacy and regulation.

**5.5** PCC, our partners, and the community are investing heavily in improving water quality in the streams and harbour. Over \$200M of capital projects are currently being implemented, including the Porirua CBD Wastewater Overflow Retention Tank, Bothamley Park Wastewater Trunk Main Upgrade, Cannons Creek Park Wetland, "Know your Pipes" programme to identify private side lateral repairs, and our city-wide Riparian Planting Programme.

**5.6** PCC has also supported and recently signed the Porirua Harbour Accord (**Accord**). The Accord brings together our key partners, Te Rūnanga o Toa Rangatira (acting on behalf of Ngāti Toa Rangatira), GW, Wellington Water Limited, and PCC and Wellington City Council, alongside other stakeholders, community groups, and organisations dedicated to improving the harbour's health.

**5.7** Overall, PCC is supportive of the direction and intention to improve water quality that underpins the National Policy Statement on Freshwater Management (**NPS-FM**), and generally supportive of the NRP and this proposed Change 1.

## **6. PCC'S ABILITY TO FUND THE INFRASTRUCTURE REQUIREMENTS**

**6.1** The funding for the interventions and infrastructure upgrades required to improve the health of our streams and harbour currently come from a

variety of sources, but the lion's share of the cost of water quality improvements in the city currently falls on the ratepayers of Porirua city. The community's ability to fund these activities through rates is therefore a controlling (and limiting) factor on how fast these interventions can be rolled out.

- 6.2** The two main catchments where PCC has extensive three waters infrastructure are Te Rio o Porirua and Rangituhi (Porirua Stream), and the Wai-o-hata (Duck Creek) catchments. For these catchments, I understand that the estimated reduction in pathogen loads required to meet the proposed Target Attribute States (TAS) in Change 1 are 92% and 83% respectively.<sup>1</sup>
- 6.3** To deliver on these requirements, a suite of interventions to reduce the amount of sewerage escaping the wastewater network will be required. This will include the renewal of poor condition pipes and the upgrade of the capacity of much of the trunk wastewater mains servicing the city, as well as the repair of poor condition private laterals.
- 6.4** The extensive upgrades for the wastewater network will need to be undertaken in combination with the interventions required to meet the other TAS in Change 1. From a PCC perspective, the TAS for the metals, copper and zinc, will also require major infrastructure investment in the form of wetlands, raingardens and other green infrastructure.
- 6.5** I understand that Mr Walker, in his economic evidence for GW, has estimated that the work required to achieve PCC's contribution to the metals and *E. coli* load reductions, which will deliver on the proposed TAS, will amount to approx. \$450M.<sup>2</sup> To achieve this by 2040, Mr Walker has

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1 Dr Michael Greer *Approach used to estimate the load reductions to achieve the copper, zinc and E.coli TASs in Proposed Change 1 to the Natural Resources Plan for the Wellington Region* (Torlesse Environmental Ltd), Table 3 at Page 14

2 Statement of Evidence of David Adrian Walker on behalf of Greater Wellington Regional Council (Economics) dated 28 February 2025, Attachment 1 Explanation: Cost Methodology at Page 8.

estimated that this would require a significant uplift in rates for Porirua ratepayers.<sup>3</sup>

**6.6** I make the following comments on the estimates provided by Mr Walker:

- (a) The first is that I consider these estimates to be both uncertain and likely to be low.
- (b) As an example, PCC is currently building a wastewater overflow retention tank at a total cost of \$97M (initially estimated at \$47M). This investment will address only one of the almost 50 known regular wastewater overflow locations across our city.
- (c) In his estimates, Mr Walker has used a wetland cost estimate of \$4M per hectare. In 2022, PCC completed construction of a wetland that was just under a hectare in size. This wetland cost over \$14M.
- (d) To date PCC's experience of projects targeted at water quality improvements indicates that the estimated costs to deliver on the metal and *E. coli* TAS in Change 1 are likely to be much higher than the costs estimated by Mr Walker.
- (e) Second, Mr Walker has stated that his estimates do not include the operational costs, which can be significant for green infrastructure like wetlands and raingardens.
- (f) Operational costs are an ongoing challenge for local government as they are usually directly rates funded rather than debt funded. This means, as a rule of thumb, that \$1M of operational costs has an equivalent impact on rates as \$10M of capital costs.

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3 Statement of Evidence of David Adrian Walker on behalf of Greater Wellington Regional Council (Economics) dated 28 February 2025 at page 18.

- (g) Third, freshwater quality and harbour health is one of the many challenges that Porirua city is facing. PCC's current Long-term Plan responded to a range of these challenges including significantly increased costs for delivery of the same services, climate change impacts, high cost of living for households, enabling population growth and ensuring infrastructure is fit for purpose. PCC's last rates increase in the 2024/2025 year was 17.5%. This increase was barely acceptable to the community, many of whom made their concerns known.
  
- (h) The estimated 25% rates increase for PCC to seek to achieve the TAS, as estimated by Mr Walker, needs to be considered in the context of the wider pressures facing the city. Based on my experience of the cost of water quality improvement projects and the wider context of rating pressures in Porirua, I agree with the conclusion reached in Mr Walker's evidence that the level of investment required by PCC to achieve the TAS in Change 1 (as notified) is unaffordable for the Porirua community.

**6.7** I also note that PCC is currently participating in work associated with the potential establishment of a new three waters delivery entity under the Local Water Done Well legislation. The economic modelling to help support this work is indicating that the cost to PCC rate payers will need to increase significantly to address the backlog of underinvestment in three waters networks, especially in the water supply network.

**6.8** This again highlights that the existing challenges are real for PCC already, let alone adding to those, with requirements to meet TAS within a tight timeframe. Having a good awareness of the collective challenges facing PCC and the community, in my view a sensible time needs to be allowed for the delivery of investment to work through these complex issues.



## **7. CONDITIONAL SUPPORT FOR THE REVISED TARGET ATTRIBUTE STATES**

**7.1** Ms O’Callahan’s section 42A report proposes revised TAS, contained in Attachment 1 to the s42A report (**Revised TAS**). While I understand that the economic analysis by Mr Walker has not specifically considered the Revised TAS, I note that they have been softened. For the two most challenging catchments for PCC, Te Rio o Porirua and Rangituhi (Porirua Stream) and the Wai-o-hata (Duck Creek) catchments, the *E. coli* TAS are reduced from achieving a “C” state to achieving a “D” state improvement (which I understand is an approx. 30% reduction).

**7.2** In my view, and having taken advice internally at PCC, the Revised TAS are still ambitious and challenging to deliver within the wider context of Porirua ratepayer affordability.

**7.3** Ms Rodgers’ evidence, which I have reviewed as part of preparing my statement, supports an extension of the timeframe to 2060. I consider that this extended 2060 timeframe is more realistic than what was originally notified (2040). Furthermore, I consider that the Revised TAS will still deliver much of the original intention behind Plan Change 1, including:

- (a) They will likely still drive the harbour and stream water quality towards improvements from the current base line.
- (b) The Revised TAS will likely still seed the sustained growth of the region’s capability in planning, design, construction, and maintenance of water quality infrastructure. This is something that is currently lacking in the region.
- (c) The water quality improvements required under Change 1 should help ensure a more level playing field for infrastructure requirements for new development across the four metropolitan cities.

- (d) The new proposed targets would likely still encourage cross boundary collaboration on water quality improvements.

## **8. CONCLUSION**

**8.1** PCC is committed and investing heavily to improve the health of Te Awarua o Porirua. The council's investment is keeping pace with the willingness of the city's ratepayers to fund water quality improvements.

**8.2** To deliver on the TAS recommended through Change 1, it will require a level of investment from the community that is unaffordable. The pace of delivery of water quality infrastructure needs to be considered within the context of increasing rates to fund the many pressures on the city.

**8.3** Overall, while PCC supports the general intentions of the NPS-FM and Change 1, I consider the Revised TAS are still ambitious and will be very challenging, or practicably unrealistic, for PCC to achieve within the proposed 15-year timeframe. While an extended 2060 timeframe will still be highly challenging, that would make the targets more achievable, and also remove risk to PCC of non-compliance in the meantime.

**Mike Mendonça**

14 March 2025