

MICHAEL ANTHONY MENDONÇA – SUMMARY STATEMENT FOR HEARING STREAM 2

11 APRIL 2025

1.1 My full name is Michael Anthony Mendonça, MBE. I prepared a statement of evidence on behalf of Porirua City Council (**PCC**) in relation to Hearing Stream 2 (**HS2**) for Proposed Change 1 (**Change 1**) to the Natural Resources Plan for the Wellington Region (**NRP**). I refer to my qualifications and experience in my original statement, dated 14 March 2025, and do not repeat those matters here.

1.2 The purpose of this statement is to provide a brief summary of my evidence.

2. Summary

2.1 PCC is committed to improving the health of Te Awara-o-Porirua Harbour and its catchment. However, to meet the proposed Target Attribute States (**TAS**), a suite of interventions to reduce sewage escaping from the wastewater network, as well as new infrastructure such as wetlands, will be required. PCC would need to rely on rates to fund these interventions and infrastructure requirements, unless any Crown funding is made available (which I consider unlikely).

2.2 I agree with Mr Walker that his estimated 25% rates increase for PCC to achieve the TAS is unaffordable for the Porirua community. Water quality is one of several challenges facing the city including service delivery costs, climate change impacts, high costs of living, enabling growth and ensuring infrastructure is fit for purpose. PCC's rates increase for the 2024/2025 year of 17.5% was already barely acceptable to the community.

2.3 Additionally, PCC is anticipating increased costs to PCC ratepayers as part of the potential establishment of a new three waters delivery entity (which is proposed to be a multi-council owned CCO). This is to address the overdue bow wave of three waters networks renewals, especially with the water supply network.

2.4 I note that Mr Walker's estimates are likely to be both low and uncertain because:

- (a) In PCC's experience, the costs of projects targeted at water quality improvements have been higher than the costs estimated by Mr Walker. For example, a wastewater overflow retention tank at one of almost 50 known regular overflow locations in the city cost \$97M compared to an initial estimate of \$47M. PCC also recently constructed an almost one-hectare wetland at a cost of \$14M whereas Mr Walker estimates a cost of \$4M per hectare.
- (b) Mr Walker's estimates also do not include operating costs which can be significant and ongoing. As a rule of thumb, operating costs have a 10 times greater impact on rates than capital costs.

2.5 The TAS proposed in Attachment 1 to the s42A report and recommended in Ms O'Callahan's rebuttal evidence (**Revised TAS**) would soften the impact on rates compared to the TAS originally proposed through Change 1, but I consider that they are still ambitious and challenging to deliver within the wider context of affordability to Porirua City's ratepayers. I consider the timeframe for achieving the Revised TAS should be extended to 2060. Having considered Ms Rodger's evidence it is my view that this longer timeframe will deliver much of the original intention while being more realistic (but still very challenging) for the community to fund.

Michael Anthony Mendonça

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