

**Before the Hearings Panel
At Greater Wellington Regional Council**

Under The Resource Management Act 1991

In the matter of Proposed Change 1 to the Natural Resources Plan for the
Wellington Region.

Hearing Stream Two Objectives and Ecosystem health policies.

**Statement of evidence of Joe Jeffries on behalf of Wellington City Council
(Planning)**

Date: 14 March 2024

INTRODUCTION:

- 1 My full name is Joseph Francis Jeffries. I am employed as a Principal Planner by Wellington City Council (WCC).
- 2 I have prepared this statement of evidence on behalf of WCC to provide planning evidence on matters relevant to WCC's submission to Greater Wellington Regional Council's (GWRC) Proposed Change 1 (PC1) to the Natural Resources Plan for the Wellington Region (NRP).

QUALIFICATIONS AND EXPERIENCE

- 3 I hold the qualifications of Master of Planning Practice (Hons) from the University of Auckland, and a Bachelor of Arts from the University of Otago.
- 4 I have over 13 years of experience in planning policy and have provided evidence as an expert planning witness on behalf of councils, central government, and private sector clients throughout New Zealand.
- 5 I have been employed as a Principal Planner at WCC since 2023. In this role I have presented expert evidence on behalf of WCC on the Urban Development and Freshwater topics for the Greater Wellington Regional Policy Statement Proposed Change 1 hearings. I was also the reporting officer for the Renewable Electricity Generation, Airport Zone and Corrections Zone chapters of the Wellington Proposed District Plan.
- 6 Prior to my current position I was employed as a planning consultant with Barker and Associates between 2021 and 2023. In that role:
 - 6.1 I provided expert evidence on behalf of Kāinga Ora on the Proposed Selwyn District Plan on the natural hazards,

commercial and mixed use, residential zones, and rezoning topics.

6.2 I presented a joint case of expert evidence on behalf of six major commercial property funds on the Wellington City Proposed District Plan (PDP), and on Hutt City Council's intensification plan change PC56.

6.3 I was the project manager for the preparation of the Napier Hastings Future Development Strategy.

7 I was employed as a Senior Policy Planner at Hutt City Council (HCC) between 2017 and 2021. I was HCC's lead planner on Plan Change 43 – a full review of the Residential Chapter of the District Plan. This included preparing the s42a report, acting as the reporting planner through the hearings, and leading Environment Court mediation for Council. I also worked on the early stages of the development of the Hutt City District Plan Review including the response to the National Policy Statement on Urban Development 2020 (NPS-UD).

8 I worked as a Policy Planner for Auckland Council between 2012 and 2017. In this position, I gave evidence as an expert witness on the Auckland Unitary Plan on the Precincts and Rural Urban Boundary topics.

CODE OF CONDUCT

9 While this is a local authority hearing, I have read the Code of Conduct for Expert Witnesses set out in the Environment Court's Practice Note 2023. I have complied with the Code of Conduct in preparing my evidence and will continue to comply with it while giving oral evidence before the Hearings Panel. My qualifications as an expert are set out above. Except where I state I rely on the evidence of another person, I confirm that the issues addressed in this statement of evidence are

within my area of expertise, and I have not omitted to consider material facts known to me that might alter or detract from my expressed opinions.

SCOPE OF EVIDENCE

- 10 This statement of evidence addresses the following matters:
 - 10.1 The 2040 timeframes for achieving target attribute states and coastal water objectives.
 - 10.2 The prohibited activity status for greenfield development.
 - 10.3 Financial Contributions.

- 11 In preparing my evidence, I have reviewed the following:
 - 11.1 The HS2 Section 42A Report - Objectives.
 - 11.2 The HS2 Section 42A Report - Ecosystem Health and Water Quality Policies.
 - 11.3 The Section 32 evaluation for PC1.
 - 11.4 The Statement of technical evidence of David Walker (economics) including the supplementary *Response to information request* document.
 - 11.5 A draft of the statement of evidence of Stephen John Hutchison for Wellington Water.

- 12 I have relied on the statement of evidence of Gerry O'Neil provided on behalf of WCC.

- 13 I have also reviewed:
- 13.1 The statement of technical evidence of Dr Michael Greer (Freshwater).
 - 13.2 The Statement of technical evidence of Dr Megan Melidonis (Coastal ecology).
- 14 Due to the significant volume of information, the technical nature of this evidence and the two-week timeframe for responding, I had limited ability to engage with the details of the freshwater and coastal ecology evidence in depth or to seek expert input to guide this. Therefore, this statement will focus on the high-level planning issues.
- 15 I was not involved in preparing the WCC submission on PC1, though I can confirm I have reviewed it.

PROHIBITED GREENFIELD DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

- 16 PC1 proposes to make any “unplanned greenfield development” a prohibited activity. The WCC submission opposes this prohibited activity status and states that it has not been reasonably justified.
- 17 PC1 also proposes to require financial contributions to offset adverse effects from stormwater contaminants. The WCC submission opposes these provisions on the basis that they may duplicate development contributions collected by WCC for the same purpose.
- 18 There are two policies to be considered within this hearing stream that are relevant to prohibited greenfield development and financial contributions: Policy WH.P2 and Policy P.P2.
- 19 In the Policies S42A report, the reporting officer has recommended deleting policies WH.P2 and P.P2 on the basis that they duplicate other provisions in PC1. However, the S42A report does not address the substantive issues relevant to prohibited greenfield and financial contributions, and notes that these matters will be addressed in hearing stream four.
- 20 I agree with the WCC submission that a prohibited activity status for unplanned greenfield development is inappropriate. I also share concern around the proposed financial contributions requirements. I support the deletion of Policy WH.P2 and Policy P.P2 to the extent that this fulfils the intent of the WCC submission on these issues. However, as the substantive issues are scheduled to be addressed in hearing stream four, I will not address this matter in substance in this statement of evidence and intend to address this matter at greater length in that hearing.

THE 2040 TIMEFRAME FOR TARGET ATTRIBUTE STATES AND COASTAL WATER OBJECTIVES

WCC submission

- 21 The WCC submission sought amendment of the timeframe for achieving Target Attribute States (**TAS**) and Coastal Water Objectives (**CWO**) from 2040 to 2060. According to the WCC submission:
- 21.1 WCC has funding constraints that will make it difficult to achieve significant improvements to network infrastructure quickly. The proposed target attribute timeframe of 2040 is unlikely to be practicably achievable. WCC considers it more realistic to set a 2060 target; however, even this is likely to be challenging to achieve given financial constraints across local government and limited capacity within the infrastructure sector to deliver necessary upgrades to achieve the outcomes intended.
- 22 On this basis, the WCC submission sought amendments to the following provisions, relevant to hearing stream two, to amend the timeframe from 2040 to 2060 for achieving the specified TAS and CWO:
- 22.1 Objective WH.O2 (Issue 6 of the Objectives s42A: groundwater, rivers and natural wetlands towards wai ora by 2040).
- 22.2 Objective P.O2 (Issue 7 of the Objectives s42A: groundwater, rivers, lakes and natural wetlands towards wai ora by 2040).
- 22.3 Objective WH.O3, Objective P.O3, Table 8.1, Table 9.1 (Issue 8 of the Objectives s42A: coastal water objectives).

- 22.4 Objective WH.O5 and Table 8.2 (Issue 9 of the Objectives s42A: Parangarahu Lakes and associated natural wetlands towards wai ora by 2040).
- 22.5 Objective WH.O8 and Table 8.3 (Issue 12 of the Objectives s42A: freshwater primary contact site objective).
- 22.6 Tables 8.4 and 9.2 (Issue 13 of the Objectives s42A: target attribute states for rivers).
- 22.7 Policy WH.P4 and Table 8.5 (Issue 4 of the Policies s42A: Achievement of the visual clarity TAS)
- 22.8 Table 9.3 and 9.4 (issue 5 of the Policies s42A: Containment load reductions).

23 I note that some of the provisions above, including those discussed under Issues 9 and 12 of the objectives S42A report, are not directly relevant to Wellington City as they apply outside the city's water catchments. My statement of evidence generally addresses these provisions as a package and is focussed on the merits of the timeframes specified for achieving the targets but the provisions that directly concern Wellington City are of greatest interest.

Section 42A Report

24 In the Objectives s42A report (Para 177), the reporting officer has recommended amending the objectives to make them less onerous rather than amending the timeframe for achieving them to 2060 as requested by WCC:

WCC [S33.024]100 and WWL [S151.055] seek a longer timeframe to 2060 in this objective as they consider there is insufficient time to achieve the required outcomes and to fit with council long term plans (LTPs) and financing for three

waters networks. I agree that it is important that the objectives are set to be achievable in terms of the actions required, but consider it is preferable to adjust the level of expected improvement where objectives are too onerous than to allow more time. Extending the timeframe comes with it, a risk of delayed action. This is discussed further in relation to submissions on WH.O9 later in my report at section 3.14. Accordingly, I recommend rejecting these submissions.

- 25 The reporting officer makes similar points at paragraphs 195, 213-218, and 300 of the Objectives s42A report. Paragraph 300 in particular is worth quoting:

I do not agree that a longer timeframe is the best approach in the case of difficult to meet attributes, as this has an inherent risk of delayed action for improvement. Rather, my recommendation for the Hearing Panels is to consider achievability, and where the evidence indicates targets will be very difficult to achieve, to reduce the target where possible, i.e. where this can be done without compromising any national bottom lines minimum required improvement that must be met under the NPS-FM.

Discussion

- 26 While I am open to an approach of reducing the stringency of the targets rather than the timeframes for achieving them in principle, the viability of this approach depends on the appropriateness and achievability of the *specific* targets recommended. Additionally, the ability to reduce the stringency of TAS is constrained by the minimums specified in the NPS-FM.
- 27 I understand the reporting officer's concern about the risk that a 2060 timeframe poses for delaying commencement of any action. But the risks associated with long term targets can be addressed by adopting interim targets for achieving the TAS as is required under clause 3.11 of the NPS-FM. I consider that this is the more appropriate planning response to the officer's concern.

- 28 I understand that all the s42A recommended TAS for E.coli relevant to Wellington City, are equal to the minimums specified in the NPS-FM. This provides no scope to reduce the TAS further where concerns with achievability remain. By contrast the NPS-FM does provide flexibility on the timeframes for achieving target attribute states.¹
- 29 Under section 32 of the RMA, the regional council needs to evaluate the specific objectives proposed including timeframes in terms of the benefits and costs of the effects that are anticipated from the implementation of the provisions. The assessment of benefits requires an assessment of achievability to enable an effective weighing of those benefits with the costs of achieving them.
- 30 In my view, informed by the economic evidence of David Walker, and the evidence of Gerry O’Neill, the Regional Council has not demonstrated either of the notified or the s42A recommended targets are able to be practically achieved within a 2040 timeframe, let alone at a cost that is practical and feasible for WCC given its physical, financial and political constraints.
- 31 The 2040 timeframe for achieving either the notified or s42A recommended targets has also not been justified in terms of benefits outweighing costs under a section 32 evaluation.
- 32 Just as importantly, the approach taken by the S42A reporting officer means that a 2060 timeframe for achieving the TAS and CWO has not been properly assessed as a *reasonably practicable alternative* option to the notified and S42A 2040 timeframe as required by a section 32(1)(b) evaluation.

¹ Clause 3.11(6)

- 33 In my view neither the notified nor s42A recommended versions of the TAS and Coastal Water Objectives have been demonstrated as the most appropriate means of achieving the purpose of the plan change in terms of section 32 of the RMA.
- 34 I recommend amending the timeframe for achieving the targets to 2060 in accordance with the WCC submission. In my view this is more appropriate than the notified and s42A recommended 2040 timeframe as it is more practically achievable, it meets the minimum requirements of the NPS-FM, it is more affordable for ratepayers, and it more appropriately balances economic costs with environmental benefits.
- 35 Below I discuss the following in more detail:
- 35.1 The practical achievability and the potential costs of achieving the targets as set out in the statement of economic evidence of David Walker and the statement of evidence of Gerry O'Neill for WCC.
- 35.2 The appropriateness of the Section 32 and section32AA evaluations for PC1 and the s42A recommended amendments.
- 35.3 The limitations and missing information in the Regional Council's evidence base for PC1 and the s42A report for hearing stream two.

The practicality and costs of achieving the targets by 2040

- 36 The statement of economic evidence of David Walker² assesses the practical achievability and estimates the potential costs of the stormwater and wastewater upgrades required to meet the notified Target Attribute States for E.coli, Zinc and Copper. Mr Walker assesses the achievability and affordability of both the proposed 2040 timeframe and a longer timeframe out to 2060 as sought in the WCC submission. Mr Walker also assesses the costs of the NPS-FM minimum required improvement (MRI) for E.coli, which is the same as the s42A recommended TAS for E.coli for areas relevant to Wellington City.
- 37 While there is significant uncertainty and limitations in precisely estimating the potential costs of necessary infrastructure upgrades, in my view, and informed by the evidence of Gerry O’Neill, Mr Walker’s evidence provides a useful guide to the scale of the potential costs.
- 38 According to Mr Walker, the notified targets with a 2040 timeframe are practically unachievable and unaffordable from a rates impact perspective. He says:

In my professional view, the costs to TAs of contributing to achieving the PC1 metals and E. coli TAS by 2040 is both unaffordable from a rates impact perspective and unachievable from a capacity perspective. Average rates could rise by up to 35% sustained for 16 years, while the workforce capacity would need to surge by up to 162% sustained over 16 years. Excluding any servicing and maintenance costs, achieving the TAS could cost up to \$5.37 billion.

² GWRC have provided an additional document *Response to information request* supplementary to Mr Walker’s evidence. My discussion of Mr Walker’s evidence includes information drawn from that supplementary document.

- 39 According to the figures set out in Mr Walker's evidence, amending the timeframe to 2060 for achieving the notified TAS significantly improves affordability and achievability as it allows the costs and construction work to be spread over a longer time period.
- 40 For Wellington City achieving the notified TAS (for E.coli, Cooper and Zinc) within a 2040 timeframe would require up to a 25% step change in rates sustained for 16 years. By contrast, achieving the notified TAS by 2060 for Wellington City would require up to a 11% step change in rates, significantly improving affordability for rate payers on an annual basis.
- 41 According to the figures set out in Mr Walker's evidence, achieving the less stringent MRI for E.coli (equivalent to the s42A report recommendations for E.coli TAS for Wellington City) by 2040 reduces costs in comparison to the notified target. However, a longer timeframe for achieving the targets to 2060 has a much greater impact on rates affordability and on practical achievability.
- 42 Mr Walker's evidence shows that achieving the MRI for E.coli alone (excluding upgrades required to meet copper or zinc targets) by 2040 would require a 21% step change in rates, while achieving this by 2060 only requires a 9% rates step change.
- 43 I have taken these figures from Mr Walker's evidence and set them out in a table below for the purposes of a comparison relevant to Wellington City:

| Step change in rates required, Wellington City (high estimate) | | |
|---|----------------|----------------|
| To achieve: | By 2040 | By 2060 |
| PC1 notified TAS (E.coli, Copper and Zinc) | 25% | 11% |
| NPS-FM E.coli MRI (Comparable to s42A E.coli TAS. Excludes any target for copper and zinc) | 21% | 9% |

44 I note that Mr Walker’s evidence does not include a dollar cost breakdown specific to Wellington City. But to provide a sense of scale of the figures I have set out above Mr Walker estimates a total cost of up to \$5.37 billion to achieve the notified TAS for E.coli, Zinc and Copper for the Wellington region excluding maintenance and servicing.

45 In terms of practical achievability, achieving the notified TAS or the NPS-FM minimums by 2040 would require a significant step change in the workforce required as set out in the table I have created below from figures in Mr Walker’s evidence:

| Step change in workforce required, Wellington Region (high estimate) | | |
|---|----------------|----------------|
| To achieve: | By 2040 | By 2060 |
| PC1 notified TAS (E.coli, Copper and Zinc) | 262% | 116% |
| NPS-FM E.coli MRI (Comparable to s42A E.coli TAS. Excludes any target for copper and zinc) | 168% | 75% |

- 46 The two tables above show that the extended timeframe to 2060 has a much greater impact on affordability and achievability than the reduced targets. This contradicts the claim made in paragraph 299 of the objectives s42A report that Mr Walker’s “work indicates that the cost impacts of lower TAS and a longer timeframe are similar for these attributes”. While the total costs may be the same, a shorter timeframe significantly increases the costs imposed on ratepayers on an annual basis.
- 47 According to Mr Walker’s statement Wellington City rates as a share of household income are already the highest in the region. This further reduces the public’s ability to absorb future rates increases and further limits the practicality of a shorter timeframe for achieving TAS in Wellington City.
- 48 In addition to the Mr Walker’s statement of evidence, I have also relied on the evidence of Gerry O’Neill to evaluate the costs and achievability of the notified and s42A recommended targets. I note the following from Mr O’Neill’s evidence:
- 48.1 According to Mr O’Neill, the evidence of David Walker provides a sound basis for considering the potential scale of costs of the infrastructure upgrades required to meet the TAS, within the stated limitations.
- 48.2 Mr O’Neill finds that the 2040 timeframe is unachievable for WCC for both the notified targets and for the NPS-FM minimums. He finds that achieving the targets by 2060 will also be challenging but will be more achievable.
- 48.3 Mr O’Neill sets out some estimates of the potential additional costs for maintenance that are not addressed by

Mr Walker. He finds that these additional costs are likely to be significant, increasing total costs by 50%.

48.4 Mr O’Neil notes the disruptions to business owners and the public resulting from infrastructure upgrade works in Wellington City. This acts as a political constraint on how much work can be carried out at once further limiting the practical achievability of a 2040 timeframe for achieving targets.

49 In my view the statements of evidence of Mr Walker and Mr O’Neil demonstrate that a 2040 timeframe for achieving either the notified or s42A recommended targets is both practically unachievable and unaffordable to rate payers. By contrast, a 2060 timeframe for achieving the targets will be challenging but significantly more achievable and affordable for rate payers on an annual basis.

Section 32 evaluation

50 As discussed above, the notified version of NRP PC1 sets a 2040 timeframe for achieving Target Attribute States and Coastal Water Objectives. I understand that PC1 was originally drafted by officers with a 2060 timeframe for achieving TAS and CWO, but this was amended to a 2040 timeframe by the Regional Council one week before notification.

51 It is not clear to me whether the notified section 32 evaluation assesses the costs and benefits of a 2040 or 2060 timeframe, but it appears to me to be based on an assessment of the 2060 timeframe. It would have been extremely difficult for officers to have rewritten the section 32 report to adequately consider the impact of such a change in position at such a late stage in the limited time available. If my understanding is correct, this would mean that the 2040 timeframe for achieving the TAS and CWO has not been effectively assessed under section 32. In any

case, the notified section 32 report does not clearly evaluate both the 2040 and 2060 timeframes as reasonably practicable options for achieving the purpose of PC1.

52 The section 32AA for hearing stream two provided an opportunity to fill any gaps in the notified section 32 report that resulted from the last-minute change of position prior to notification. However, the section 32AA evaluation appended to the s42A report for hearing stream two does not assess the merits of the 2040 timeframe specifically nor does it assess the 2060 timeframe as a reasonably practical alternative to 2040.

53 In my view, the section 32AA evaluation, included as appendix 4, is light on detail and does not explicitly engage with the question of whether the benefits of the s42A recommended TAS and CWO with a 2040 timeframe are outweighed by their extensive costs.

54 A section 32 evaluation must contain a level of detail that corresponds to the scale and significance of its effects. As set out in the economic evidence of David Walker, the potential costs of the infrastructure upgrades required to achieve the TAS by 2040 are conservatively in the multiple billions of dollars. The significant scale of these costs warrants a section 32 evaluation with a corresponding level of detail that has not yet been provided.

55 I acknowledge that it may be reasonable to give environmental benefits greater weight than economic costs in a section 32 evaluation, and setting ambitious, difficult or expensive targets may be an appropriate option to achieve an environmental objective. The high costs of achieving an environmental target are not sufficient reason alone to determine that a target is inappropriate.

56 However, it remains that environmental benefits can never be infinite or such that they outweigh any economic cost no matter how great. In

my view, a section 32 evaluation should establish that the environmental benefits of the recommended option, however they are defined, and whether quantified in dollar terms or not, outweigh the economic costs. I am not opposed to setting targets that are ambitious, difficult or expensive for Territorial Authorities to achieve. However, to consider a recommended option the most appropriate way to achieve the purpose of the plan change, the targets need to be practically achievable and the costs, including the direct financial costs to ratepayers of infrastructure upgrades, should be outweighed by the benefits.

57 Any targets that go beyond the minimum requirements of the NPS-FM in particular warrant greater justification in terms of the benefits outweighing the costs. Applying a more stringent target than the NPS-FM is an option legally available to the regional council, but it is not mandatory. In my view a more stringent target should only be adopted where it is clearly achievable and where the benefits to the public clearly outweigh the costs that will be imposed on the community through increased rates and disruption.

58 In my view, neither the notified section 32 evaluation nor the section 32AA evaluation for hearing stream two have established that the significant costs of achieving the TAS and Coastal Water Objectives (whether the notified or s42A recommended targets) by 2040 are outweighed by environmental benefits.

59 In my view, a 2060 timeframe for achieving the targets is a more appropriate option for achieving the purpose of the plan change in terms of section 32 as this option:

59.1 Meets the requirements of the NPS-FM.

59.2 Is more practically achievable.

- 59.3 Imposes costs on ratepayers and the public that are more appropriately balanced with the corresponding environmental benefits.

Limitations and omitted information in the PC1 evidence base

60 There are some key pieces of information missing from the PC1 evidence base that I have listed below. I outline these here to assist the Panel in its assessment and recommendations, to note the factors that have limited my ability to respond to the s42 recommendations, and to note where I have had to make assumptions in the absence of clear information. These include the following:

- 60.1 As I have discussed above, the notified section 32 evaluation is ambiguous on whether it assesses a 2040 or 2060 timeframe for achieving the targets. I understand that PC1 was originally drafted by officers with a 2060 timeframe for achieving its targets, but this was amended to a 2040 timeframe by GWRC one week before notification. I have assumed that the substantive section 32 evaluation is based on a 2060 timeframe, as there was not sufficient time to substantively update this document between the late change of position and notification.
- 60.2 The section 32AA evaluation for hearing stream two does not attempt to ameliorate the deficiencies in the notified section 32 evaluation set out above. This made it difficult to understand how benefits, costs, and reasonably practicable alternative options were weighed and assessed in arriving at the section s42A recommended amendments.
- 60.3 The economic evidence does not assess the costs and benefits of achieving the s42A recommended version of the Target Attribute States for E.coli, and Zinc and Copper. The

economic evidence does assess the minimum required improvement under the NPS-FM, and I understand that most of the s42A recommended TAS for E.coli are the same as the NPS-FM MRI. However, some of the s42A recommended TAS for E.coli are more stringent than that required by the NPS-FM. This means that there is no specific information on the costs of achieving these revised TAS for E.coli recommended in the s42A report.

- 60.4 No statement of engineering evidence has been produced to support the notified or s42A recommendations with information on the implications for stormwater and wastewater infrastructure. The economic evidence of David Walker is informed by engineering assumptions and advice but there is a limited ability to scrutinise this without a written statement on the record and a qualified expert to appear before the Panel for questioning. This is a significant gap in the evidence base particularly as PC1 has multi-billion-dollar implications for infrastructure upgrades.
- 60.5 The economic evidence assesses the potential costs of infrastructure upgrades required to meet the E.coli and Zinc and Copper TAS but not the other TAS set in PC1. I understand that E.coli and Zinc/Copper are the key attributes relevant to wastewater and stormwater infrastructure respectively, and that improvements to these will generally lead to improvements to other attributes. However, it remains unclear whether achieving the other TAS will have additional cost implications on the infrastructure upgrades required to meet them.
- 60.6 The economic evidence does not assess the infrastructure implications of achieving the coastal water objectives. While

it would be reasonable to assume that improvements to freshwater will lead to improvements to coastal water, it remains unclear whether achieving the coastal water objectives will have additional costs not already accounted for.

CONCLUSION

61 I recommend adopting the amended Target Attribute States and Coastal Water Objectives recommended in the s42A report but amending these to apply a 2060 timeframe rather than 2040. I also recommend that more work is undertaken to establish appropriate interim targets so that the plan is consistent with the NPS-FM's requirements.

62 In my view adopting a 2060 timeframe for achieving the targets is the most appropriate way to achieve the purpose of the plan change and to meet the requirements of the NPS-FM in terms of section 32 of the RMA.

63 I support the deletion of Policy WH.P2 and Policy P.P2 recommended in the S42A report. I note that the substantive matters relevant to greenfield development and financial contributions will be addressed in hearing stream four and intend to address these issues in that hearing.

Date: 14/03/2025

Joe Jeffries
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