

Whanganui District Council Long- Term Plan 2021 -2031 consultation

SUPPORTING INFORMATION

Further information for Whanganui Velodrome Project

Reports that support the Velodrome Project have been listed on our website. During 2020 Council engaged the services of SGL Funding Limited (SGL) to undertake an independent review of the proposed Velodrome redevelopment. SGL were supported by Boon Team Architects and Rawlinsons Quantity Surveyors to complete this review.

<https://www.whanganui.govt.nz/Your-Council/Research-Reports/Reports/Velodrome-independent-review-report?BestBetMatch=Velodrome|a660ea40-8921-4012-bf28-7734c79d2e06|62bd3e67-e49c-4c5d-aff9-a6435e8baa32|en-AU>

- [SGL – Whanganui Velodrome Review – October 2020\(PDF, 3MB\)](#)
- [Boon Team Architects – Whanganui Velodrome Project Design and Cost Review – 29 July, 2020\(PDF, 6MB\)](#)
- [Review Team – Whanganui Velodrome Review Powerpoint Presentation – December 2020\(PDF, 173KB\)](#)
- [Boon Team Architects – Whanganui Velodrome – Alternative Design Proposal \(6526\)\(PDF, 10MB\)](#)
- [Copeland Associates Architects Developed Design\(PDF, 12MB\)](#)

Conversation with community – Leading Edge Strategic Direction

Whanganui District Council adopted its Leading Edge vision in October 2014, and the Leading Edge Strategy was adopted in conjunction with the vision, which provides the Council's overarching strategic context. A review in 2020 of this strategy ensures it remains appropriately aligned to the organisation's action plans and aspirations and that it is structured in the right way to really underpin our work and drive us towards meeting our vision.

Our proposed Long Tem Plan contains a number of projects and initiatives that we believe will continue moving us towards our Leading Edge vision, while delivering community outcomes related to a united, connected, creative, environmental and economically prosperous community.

Our pre-engagement conversations provided us with a good gauge on what the community's long-term aspirations for Whanganui are. Several in-person and online engagement activities were held between the end of September and mid-November last year to seek ideas from the community about what they want to see in the district and to provide feedback on Council's strategic direction. We spoke to iwi representatives, the rural community board, youth committee members as well as the general public during this process. The findings from the pop-up events, targeted conversations and online surveys reassured us that we are on the right track.

The pre-engagement activities we undertook included specifically surveying the community about the Council’s Leading Edge Strategy priority strands. On average, three quarters of those who responded agreed with our focus areas in each strand. Where respondents did not agree, the reasons were not necessarily about the actual focus areas themselves, but wanting Council not to divert attention away from water, sewage and roading – what some respondents considered to be Council’s core functions and responsibilities.

Survey respondents also put forward ideas for our Leading Edge focus areas and there is some good alignment with council’s current thinking. For example, ideas around attracting businesses and increasing job opportunities are reflected in the Leading Edge Creativity and Economy strands with actions to extend existing industries in the district, build partnerships and harness innovation and creativity. Our pre-engagement conversations, and the themes identified from them, are contributing to our current process of finalising our strategic framework for the district.

Some projects/initiatives and their relationship to our vision

Community outcomes	Projects
Community <i>‘A deeply united community’</i>	Effective engagement with hapū and iwi Earthquake strengthening Implementation of Sport and Recreation Strategy Welcoming Communities Programme Support the development of hapū/marae/community plans. Implementing our Housing Strategy Investigating Youth Hub – places and spaces Delivering on our Age Friendly commitments
Connectivity <i>‘Connected’</i>	Implementation of Digital Strategy Downriver sections of the Mountains to Sea Trail Growing education and training opportunities
Creativity <i>‘Innovative and creative’</i>	Sarjeant Gallery redevelopment Library hubs Whanganui & Partners work - economic development initiatives Delivering events Implementing the Public Arts Strategy Becoming a UNESCO City of Design
Environment <i>‘Safeguarding our place’</i>	Coastal plan development and implementation Town centre revitalisation Implementing the Climate Change Strategy Working with Iwi on Te Awa Tupua aspirations, including whole of river strategic plan Complete and deliver Waste Minimisation and Management Plan
Economy <i>‘Works for everyone’</i>	Port revitalisation project Implementing our International Relations Strategy 100% Sweet initiatives Recognition of Maori economic aspirations Partnering with social support and health agencies Cluster opportunities in our industrial precinct.

Climate change

Climate change remains a critical issue for the Whanganui community moving into the future. In 2020 the Whanganui District Council declared a climate emergency, and has worked collaboratively with key stakeholders and Iwi partners to develop a draft Climate Change strategy for the district. The draft Climate Change Strategy, Te Rautaki Huringa Āhuarangi plots a course for action to both mitigate and adapt to climate change and to provide a framework for collaboration. This strategy tells a story of the NZ European and Maori world views coming together to tackle this in a uniquely Whanganui way. The strategic vision for Whanganui: *'we live in harmony with the environment to ensure quality of life for all living things; ko au te taiao, ko te taiao ko au'*.

This strategy is in draft, and has been out to consultation with the community. Interim district mitigation targets have been set for reducing carbon emissions for the district to align with national and regional carbon emission targets. Strategic focus areas have been prioritised to focus effort on Transportation, Building energy and form; Agriculture; Leadership and Collaboration.

Where climate change is anticipated to impact directly on the provision of service for an activity, this has influenced the ongoing planning throughout the 10 years. Specifically this includes the programmes of work for Rooding, Stormwater and Parks and reserves. An example includes the recent climate modelling work that has occurred to support planning for the Stormwater programme through the coming 10 years.

In addition, strategic work regarding climate change will continue with \$200k programmed per annum for the implementation phase of the draft Climate Change strategy. The next work to deliver will include:

- Development of the organisational carbon footprint and development of low carbon roadmap. This will support the community and the council deliver on mitigation targets.
- Completion of the Regional Climate Change Risk Assessment and prioritising new work resulting from the Risk Assessment. This will support our understanding around the risk specific to the Whanganui community.
- Finalising and beginning implementation of the Action Plan for 4 focus areas: Transportation; Buildings; Agriculture and Leadership and collaboration.
- Continued participation in the Climate Action Joint Committee, established to ensure effective local-government response to climate change for our region.
- Investigating opportunities for large scale carbon sink planting projects in the Whanganui district, with potential to scale up existing planting projects and to seek partnership funding opportunities.
- Implement significant solar power initiatives across suitable council facilities. Initial design work will seek to establish energy savings to neutralise the outlay of this infrastructure. In year 1 \$80k has been budgeted to commence the project, with a \$1M implementation budget in each of years 2, 3, and 4, and years 8, 9 and 10.
- We have provided \$180k per annum from year 2 to match fund with Horizons Regional Council an increase in transport solutions for the city. We will consult on this further as plans shape up.

Growth

A small reversal in Whanganui's pattern of population decline has been evident since 2014, in 2017 larger and earlier than predicted growth was experienced. In 2019, the Whanganui district had an estimated population of 47,300, which reflects significant migration to Whanganui since the 2013 Census. Whanganui's tide turned in 2014 when the population began to grow after declining in all but two years since 1996. Average growth during the six-year period from 2014 to 2019 was 630 people per annum (~1.3% per annum). One of the factors that has facilitated this growth had been available housing stock, with Whanganui having only recently (2018) surpassed its 1996 population level of 46,000.

Midrange population modelling at the beginning of the planning period indicates a population of 48,200 in 2021, rising to 51,200 by 2031 and approximately 55,500 by 2050. This is an average increase of around 330 people per annum for the first 10 years of this strategy, and an average increase of 220 people from years 10 to 30 of the strategy.

The Infrastructure strategy can accommodate mid-range growth projections and increased development activity over the next 30 years but is ultimately predicated on a flattening out of our population. The Whanganui District Plan is planning for growth capacity in Otamatea West and Springvale but there is also potential for further infill development in other parts of the city.

In the coming 10 year period for growth the key focus areas for the council include:

- Further understand and interrogate growth for the district through the development of Growth Strategy to support and further refine our district direction for growth.
- Implementing Infrastructure growth projects. These will be loan funded with loan repayments made substantially through development contributions income.

Three Waters Reform

At the time of writing central government are reviewing options of how three waters may be delivered in the future. Key outcomes of this reform are:

1. Safe, acceptable and reliable drinking water;
2. Better environmental performance; efficient, sustainable, resilient and accountable services; and
3. Achieving this in a way that is affordable for ratepayers.

The council has signed a Memorandum of Understanding (MoU) effective until 30 June 2021 with the Crown regarding the reform. Under the MoU, central and local government agreed to work together to identify approaches that consider the following design features:

- water service delivery entities, that are:
 - of significant scale (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium to long-term;
 - asset owning entities, with balance sheet separation to support improved access to capital, alternative funding instruments and improved balance sheet strength; and
 - structured as statutory entities, with competency-based boards;

- delivery of drinking water and wastewater services as a priority (the approach to stormwater is still being determined);
- water entities would be publicly owned entities, with a preference for collective council ownership, and protections against privatisation; and
- mechanisms for enabling communities to provide input in relation to the new entities.

A December 2020 Cabinet paper – progressing the three waters service delivery reforms – has further added to this information base, by clarifying that:

- the Government is expecting to make substantive policy decisions relating to the reforms in April/May 2021, to enable legislation to be prepared for introduction later that year – including decisions on:
 - the main design features of the new water services entities; and
 - the number and boundaries of these entities;
- there would continue to be a voluntary, partnership-based approach to reform, in which:
 - local authorities would be asked to decide to participate in the new service delivery system in late 2021;
 - this decision would be in the form of an ‘opt out’ approach, whereby all affected councils would be included in one of the new water service delivery entities by default, but can decide not to continue to participate (in consultation with their communities);
 - central government would provide councils with a package of supporting information ahead of the decision-making window, including details on the entity design proposals (e.g. ownership and governance arrangements), financial and other implications of participating, and which entity each council would be part of;
- Parliament will be asked to consider legislation – in mid-2021 – that removes statutory obstacles to councils making a decision of this kind, and enables community consultation in a manner that is appropriate for this situation;
- for councils that participate in the reforms, any transfer of responsibilities, assets, etc. is likely to occur from 2023/4;
- there will be a much stronger regulatory system for water services, with enhanced enforcement of drinking water regulation, stronger environmental regulation, and the likely introduction of economic regulation.

Therefore the council anticipates that community engagement on the ‘opt out’ decision may occur late in 2021. Further engagement work may also occur through future Long-Term Plan and/or Annual Plan processes. At present there remains a high level of uncertainty around the final outcomes of this reform.

It is vitally important that our community has three waters services, regardless of who provides these services. Due to the uncertainty, we have assumed Council ownership of the three water assets for

the duration of the plan. For further information, see our forecasting assumptions in our supporting information to this plan.

Government's reform strategy and timeline is available at <https://www.dia.govt.nz/Three-Waters-Reform-Programme>

Regulation of Drinking Water – Taumata Arowai- the Water Services Regulator Act 2020

On 6 August 2020, the [Taumata Arowai–the Water Services Regulator Act 2020](#) received royal assent and comes into force in November 2021. The Act implements decisions to establish a new regulatory body – Taumata Arowai – which will be responsible for:

- administering and enforcing a new drinking water regulatory system (including the management of risks to sources of drinking water); and
- a small number of complementary functions relating to improving the environmental performance of wastewater and stormwater networks.

The Act: sets out Taumata Arowai's objectives, general functions, and operating principles;

- establishes Taumata Arowai as a Crown agent, with a board; and
- establishes a Māori Advisory Group to support Taumata Arowai by providing advice on Māori interests and knowledge, as they relate to its objectives, functions, and operating principles.

The impacts of [this](#) Act for the Whanganui District are yet to be fully understood. It is anticipated through 2021/22 financial year there will be further information available to support impact assessment. Uncertainty remains around the local outcomes associated with this new regulation.

For further information see our Forecasting Assumptions and Infrastructure Strategy provided as Supporting Information.

Revitalisation of our Port - Project Update

The revitalisation of Whanganui's Port, located at the mouth of Whanganui River, is important for economic development locally, and to future-proof Whanganui as it continues to grow in population and attract more people who expect modern facilities and protection of unique natural surroundings, such as a historic river port.

In 2016, the Council received government funding through Accelerate 25, the Whanganui-Manawatū regional growth study, to develop a plan for revitalising the port area.

In its 2019/20 Annual Plan, Whanganui District Council decided to bring funding for port redevelopment forward to 2019/20 and to increase it further by \$6.2M – giving a total of \$12.3 million in 2019/20 for infrastructure requirements currently needed for port users. Additional funding of \$12.2 million from the Provincial Growth Fund was to provide combined funding of \$24.5 million for port infrastructure development at the port. This funding also took into consideration the cost to protect the health, well-being and function of the Whanganui River.

This port infrastructure development includes rebuilding of 420 linear metres of commercial port wharves including the replacement of Wharf 2 and Wharf 3. The associated development of a purpose-built Whanganui Port Marine Precinct includes the construction of a boat launch infrastructure to accommodate New Zealand's second largest boat hoist with a capacity of 300 tonnes.

Deep water access to the port will be secured by the dredging of the commercial port basin, with options for the port to acquire purpose built dredging equipment to maintain depths within the port.

This proposed infrastructure will not only support current marine services and coastal shipping and freight services, but encourage potential tenants in the marine industry as well as from the seafood harvesting and processing sector to consider co-locating and investing in the port.

A new governance model has been established for the Port revitalisation project and the other Provincial Growth Fund funded Port-related projects to ensure the revitalisation of Whanganui's Port takes place in a way that includes the whole community and recognises the new legal status of the Whanganui River under the Te Awa Tupua (Whanganui River Claims Settlement) Act 2017. The local government and private projects to strengthen the port's retaining structures and physical infrastructure, have now been combined, under shared governance, as a community-led project called Te Puwaha (the outlet or river mouth).

The new project structure, Te Puwaha, will use a unique abundance model to co-decide and co-design all elements of the project to achieve positive outcomes for the river, the people and the community.

To date work to clear the Port area ready for construction has been completed including the necessary deconstruction of the Red Shed, consolidation of Port Operations to the Western Number One Wharf area and vacation of all buildings and clearing of equipment from the remaining wharf surrounds. In addition remedial infrastructure and ground works identified in the first tranche of the project have been or are about to be completed.

The next milestones involve the removal and rebuild of two wharves and the construction of a hardstand and vessel hoist facility which will be located opposite the Tod Street entrance to the Port. Demolition of the cement silo's on Tod Street is scheduled by Q-West for early 2021 to make way for a new boat building facility. Te Ari Mahi as the training and employment partner to the project have appointed a new Operations Manager to work closely with the community to ensure training for job opportunities at the Port and Marine Precinct. Horizons have identified an area close the North Mole to establish hardstand to house the rock that will be required to undertake the rebuild of the lower river infrastructure.

In order to facilitate the revitalisation of the Port and its ongoing success, the Council will transfer its Port related assets and operations to a Council Controlled Organisation called Whanganui Port Limited Partnership. This CCO (which has been referred to as a Special Purpose Vehicle or SPV) will own and run the Port into the future. The assets to be transferred include all land associated with the Port (including what is known as the Port Endowment land portfolio), the machinery and equipment used in the Port operation (valued at approximately \$25 million) and the \$12.3 million representing the Council's funding for the revitalisation of the Port. The Council will receive "shares" in Whanganui Port Limited Partnership equivalent to the value of the assets transferred. The \$12.2 million from the Provincial Growth Fund will, initially, be paid to the Whanganui Port Limited Partnership by way of a loan. The Provincial Growth Fund will be able to convert the loan into "shares" at a future date.

During the coming 10 year period for the Port Revitalisation project key changes include:

- Port operating income has now transferred to the Port Special Purpose Vehicle. Port capex has also transferred to the Port SPV.
- \$1M has been budgeted per year for years 7 to 9 for Whanganui River Control works.

For further information see our Forecasting Assumptions and Infrastructure Strategy provided as Supporting Information.