

## HEARING OF SUBMISSION ON THE PROPOSED WAIKATO REGIONAL PLAN CHANGE 1 - WAIKATO AND WAIPĀ RIVER CATCHMENTS

10 8 April 2019

The Hauraki District Council thanks the Waikato Regional Council for the opportunity to be heard on our submission to the Proposed Waikato Regional Plan Change 1 - Waikato and Waipā River Catchments (Plan Change 1). Our submission is reiterated below.

### **1. Relevance of the Plan Change to the Hauraki District**

The Council has taken an interest in the proposed Plan Change 1 as:

- a similar preparation and consultation process may be applied to the preparation of a second plan change for the Waihou-Piako and Coromandel catchments
- similar types of changes may be considered for those catchments through the second plan change – both for private property owners and council waters infrastructure
- a small amount of property located within the Hauraki District is subject to the Plan Change.

#### *1.1. Plan Change 2*

We are aware that a second plan change addressing water quality in the Waihou-Piako and Coromandel catchments is to be prepared after the Hauraki Treaty settlement is reached. We are monitoring Plan Change 1 with a view to assessing what the second plan change may involve.

We note that the water quality issues facing the Waikato and Waipa Rivers will differ somewhat from those facing the Waihou-Piako and Coromandel catchments and as such different regulatory interventions will be appropriate. In addition, Treaty settlement arrangements and the resulting catchment management co-governance structures will also differ from those applying to the majority of the Waikato and Waipa catchment area. The Hauraki Gulf Marine Spatial Plan (Sea Change) may result in high level policy recommendations that may be given effect to by plan change 2. However, the Council wishes to signal any concerns and areas of support if similar changes were to be proposed – both for private property owners and council waters infrastructure.

## 1.2. *Affected Property in the Hauraki District*

In our written submission we noted that the part of the Plan Change that covered property within the Hauraki District was withdrawn in order to enable the Waikato Regional Council to undertake consultation with Hauraki Iwi authorities. We note that this has since been resolved.

## 2. **Finding a Balance**

We acknowledge that the Regional Council is required to make changes to its Regional Plan in order to give effect to its legislative obligations regarding the improvement of water quality. We note that these obligations include:

- the National Policy Statement on Freshwater Management
- the three river Acts<sup>1</sup> that establish co-governance arrangements for the Waikato and Waipa Rivers and catchments, and
- Te Ture Whaimana o Te Awa o Waikato (the Vision and Strategy for the Waikato and Waipa Rivers) adopted as part of Treaty Settlement legislation which prevails over any inconsistencies in a national policy statement.

As such we acknowledge that changes to the Waikato Regional Plan to address these obligations are not discretionary.

We also consider that the overall aim of ensuring healthier rivers so that they are safe for people to swim in and take food from is laudable. We support the series of plan changes across the Region in making some progress in achieving a goal of improved water quality.

We note that farming makes a huge contribution to the New Zealand economy, as it does to the Waikato Region's and the Hauraki District's local economies.

We expect to see an appropriate balance found between improvement of river water quality and the economic and social impact on activities directly affected. The provisions must recognise:

- the need to ensure activities can adjust gradually over time i.e. that there is no significant short term economic impact on activities directly affected and/or the communities relying on those activities, and
- that there comes a point where the additional cost of improving discharges outweighs any real benefit to the environment.

We would ask that measures taken to improve water quality have transitional provisions provided for in an agreed timeframe by all parties involved when it comes to the second plan change for the Waihou-Piako and Coromandel river catchments.

## 3. **Implementation Funding Model**

While in support of the intent of Plan Change 1, we are also concerned that the financial cost of implementing regulations in the form of Plan Change 1 will be high, affecting business viability (directly and indirectly) and the ability of residents to pay increased rates resulting from increased network infrastructure investment required.

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<sup>1</sup> Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010, Ngati Tuwharetoa, Raukawa and Te Arawa River iwi Waikato River Act 2010 and Nga Wai o Maniapoto (Waipa River) Act 2012.

Our local farmers have raised concerns that such implementation costs could be prohibitive depending on the steps they have taken to reduce the impact on water quality to date. Costs will include providing additional information and carrying out works such as fencing. The timeframe for stock exclusion is also reasonably short – by 1 July 2023 for properties in the priority one areas. These financial pressures can create stress and uncertainty for communities, particularly those with a strong farming economy. Finding a balance between achieving good water quality outcomes while recognising the value of primary industry business viability is key.

We acknowledge that the cost of implementing the regulations contained in the plan change does not necessarily need to fall on directly affected private property owners in full, and encourage the Regional Council to consider funding implementation options.

We acknowledge the significant contribution that farming and horticulture make to the national and regional economy and suggest that a funding model should reflect this national and regional good gained from that activity – much like all taxpayers contribute to the major Auckland roading network. In developing such a funding model we request that the Regional Council consider a range of options, including:

- the use of funding tools such as long term interest free loans for farmers and horticulturalists significantly affected by the Plan Change 1 regulations
- the adoption of funding source arrangements that reflect the public good of both farming and horticulture and the environmental gains resulting from the Plan Change, as well as the direct industry contribution to the water quality issues we are experiencing and intending to mitigate.

**Submission request:** *That the development of an implementation funding model be undertaken alongside decision-making on Plan Change 1 and subsequent plan changes.*

#### **4. Waters Infrastructure Requirements**

The proposed Plan Change 1 provides for the contribution made to water quality by a point source discharge (wastewater systems) to be considered when considering a new or renewed resource consent. There is a high level of uncertainty for point source dischargers as decisions will be made against the objectives and policies – without there being any additional specific rules giving a direction to how the policy framework will be translated to consent conditions.

##### ***The cost of meeting these increased standards***

Our existing treatment plants are based on cost effective and appropriate wastewater pond technology. Under the National Policy Statement on Freshwater Management and anticipated regional plan change requirements, we'd need to replace our existing ponds with treatment processes that can treat wastewater to a tertiary level. It would involve disinfecting wastewater (to remove pathogens) and reducing the amount of contaminants to 75% of current loads. We have forecast that this will cost about \$38 million in capital spend over 15 years. This is significant.

The spend will affect our debt levels and rates funding requirements:

- Our wastewater debt levels will increase from \$8 million to \$38 million over the next fifteen years. We believe that this increase in debt levels will put significant constraints on our ability to respond to new and as yet unforecast spend in the years ahead, whether they be driven by regulatory change or community need.
- In total, the wastewater upgrades will cost each connected property \$6,975.
- Our wastewater rates funding will increase by 80%. This equates to an increase in the average annual property wastewater rate from \$640 in the current year, to \$1,150 by 2028 alone.

- This will require a huge investment and not only will this place more financial pressure on our highly deprived communities, but it will result in very little environmental benefit.

**Submission request:** *We request that the Waikato Regional Council consider including measurable standards for point source discharges in its plan changes.*

## 5. Year Round Targets

We understand that the proposed Plan Change 1 requires that swimmable water quality targets must be met 365 days of the year. We are concerned that this target is not realistic as exceptional events - particularly those which are weather related - may generate greater water flows and quality issues than usual.

**Submission request:** *We request that the Waikato Regional Council consider relaxing the 365 day standard to allow for water quality issues generated by exceptional events.*

## 6. Representation and Community Engagement

At a presentation by Regional Council staff on Plan Change 1, it was indicated that there may be scope for the representation arrangements for the preparation of other plan changes to evolve to reflect local preferences. We strongly support this.

We expect to work with the Regional Council to identify local stakeholder groups and appropriate representation of those groups. We also of course recognise and reinforce the importance of engaging with Iwi under the Treaty of Waitangi settlement arrangements to be confirmed.

We acknowledge that the plan change process has, and will continue to involve highly complex information. We commend the Regional Council in endeavouring to provide clear summaries of the proposals and their rationale and implications. We consider that it is important to provide information in a form that is as relevant and easy to access as possible to enable truly informed community engagement, and will advocate for this for the second regional planning process.

**Submission request:** *That the Hauraki District Council be engaged as early as possible in the scoping of the plan change process for the Waihou-Piako and Coromandel catchments to ensure that local representation needs are considered.*

## 7. Summary

In general, we support the proposed Plan Change 1 as a means of achieving better water quality and healthier rivers. We are concerned about the cost to the primary industry businesses and we request that the Waikato Regional Council commit to the development of an implementation funding model to consider appropriate funding options and that transitional provisions are provided for with an agreed timeframe by all parties for the implementation of such measures resulting from the Plan Change.

In looking ahead to the preparation of a plan change for the Waihou-Piako and Coromandel catchments, we look forward to working with the Regional Council on local representation options.

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