

Your submission to Watercare Waikato River Water Take Application

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Reference no: 46

Clause

What are you submitting on? You can submit on specific parts of the application or the application as a whole.

Position

The whole Watercare application

Notes

Clause

My submission on the Watercare application is that (please select one):

Position

I oppose it (or specific parts of it)

Notes

Clause

The reasons for my view are:

Notes

Refer to Attachment 1

Clause

I seek the following decision from the Board of Inquiry:

Position

Decline the application

Notes

Clause

The reasons for my view and/or any amendments sought are (please specify precise details, including the general nature of any conditions sought):

Notes

Refer to Attachment 1

Clause

Do you wish to be heard in support of your submission? All submissions will be considered by the Board of Inquiry, but please indicate if you wish to be heard in support of your submission.

Position

I wish to be heard in support of my submission

Notes

Clause

Please indicate your choice(s) below. If you do not indicate your intention to call experts, you can change your mind later and decide to call experts to give evidence in relation to your submission, provided you do so in time to meet any procedural direction the Board of Inquiry might make.

Position 1

I intend to call an expert witness

Position 2

If others make a similar submission I would consider presenting a joint case

Notes

Clause

Are you a trade competitor?

Position

No I am not a trade competitor

Notes

Supporting documents from your Submission

Attachment_1_to_HCC_submission.pdf

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ATTACHMENT 1

SUBMISSION ON WATER TAKE AND DISCHARGE APPLICATION BY WATERCARE SERVICES LIMITED

INTRODUCTION

1. Hamilton City Council (**HCC**) welcomes the opportunity to submit on Watercare Services Limited's (**Watercare**) water take and discharge application lodged with Waikato Regional Council (**WRC**) in December 2013, subsequently updated and lodged with the Environmental Protection Authority (**EPA**) on 11 December 2020 (**Application**) for determination through a Board of Inquiry (**BOI**).
2. The Application seeks all necessary resource consents to authorise the taking of an additional 150,000m³/day (net) of water from the Waikato River at a maximum cumulative take of 300,000m³/day (net), a new water intake structure, and discharges from a new water treatment plant. The Application states that the additional take is the only option available that would ensure security of supply during a drought between 2025-2027 and meet predicted water supply demand by 2028.
3. The Application has potentially significant impacts on HCC's own municipal water take requirements over the medium to longer-term. In the timeframe available to lodge a submission in this BOI process, those impacts are not yet fully understood. For that reason, HCC cannot support the Application at this time. Accordingly, this submission records HCC's position as one of opposition to the Application in its entirety. However, subject to a series of issues being resolved to its satisfaction during the BOI process, HCC's position in respect of the Application may become neutral or supportive.
4. HCC is responsible for supplying water to the 176,000 residents of Hamilton City. Hamilton City's sole water source is the Waikato River. As provider of the municipal water supply in Hamilton, HCC has a strong interest in the Application. It has serious concerns about how the Application might affect its own ability to accommodate the projected population growth of Hamilton through the next 50 or so years.
5. The demand projections indicate that HCC's existing water take consent, which expires in 2044, will be insufficient to accommodate the level of growth projected to 2044, and that HCC will require an additional allocation from the Waikato River to meet the demand in this medium-term, and beyond 2044 into the longer-term. HCC's principal concern is that, if granted, the Application will result in an over-allocation of water from the Waikato River, hindering HCC's ability to obtain a renewed consent for the additional water it will need. This will frustrate growth, and adversely impact both the Hamilton community, and the wider Region, which in turn impacts the national interests.
6. The interrelationship between Hamilton and Auckland's interests is not addressed in the Application. HCC recognises the importance of Auckland, its role in the national economy, and the need to secure a medium- and long-term water supply to service the Auckland

community. However, this should not come at a cost to the Waikato communities, who have always relied on the Waikato River as a life-sustaining resource. HCC considers that any further allocation of water for Auckland must consider and account for and serve the best interests of both cities. Put simply, HCC needs an assurance that the Application will not frustrate its ability to access sufficient water from the River to enable planned growth to occur. Associated with this central concern are the following issues for which HCC seeks satisfactory resolution:

- a) Demonstrable alignment between the Application and the relevant statutory documents and, in particular, the Vision and Strategy/Te Ture Whaimana o Te Awa o Waikato (**Te Ture Whaimana**), which seeks to prioritise Waikato River iwi and the Waikato communities' interests;
 - b) The impact of the proposal on the allocable flow of the river and where it leaves the resource in the short-, medium- and long-term;
 - c) Watercare's commitment to reducing its overall reliance on the Waikato River and providing certainty around that;
 - d) The duration of any consent and relinquishment of renewal rights so that the resource may be 'reallocated' after Auckland's immediate and medium-term needs are met;
 - e) Full analysis of the economic impacts of the Application on the Waikato and its communities, including recognition of the interrelationship between the Auckland and Hamilton economies; and
 - f) Addressing the current status of the 'queue' of consent applications and how municipal water takes can be prioritised in light of the community economic and social wellbeing which a city like Hamilton provides for people.
7. HCC recognises that not all of these issues can be resolved by Watercare alone. Accordingly, HCC welcomes further engagement with Watercare, Waikato-Tainui, and Waikato Regional Council on these issues prior to any hearing of the Application.

BACKGROUND - HAMILTON CITY

8. The City of Hamilton has a population of approximately 176,000 people and sits within the centre of the Waikato sub-region. It is the fourth largest city in New Zealand, ranking behind Auckland (1.8 million), Christchurch City (400,000), and Wellington City (220,000). A total of 225,000 people live within the Hamilton-Waikato metropolitan area, which includes Cambridge (19,000), Te Awamutu (12,000), and Taupiri/Ngaruawahia (6,500).
9. As a key vertex in the 'Golden Triangle' with Auckland and Tauranga, Hamilton sits within New Zealand's economic and growth engine room. In addition to strong regional connections, Hamilton's proximity to Auckland International Airport and the North Island's ports ensures the city is strongly linked to the rest of the world.

National context

10. The importance of Hamilton in the broader national context has been recognised through the creation of the Future Proof Urban Growth Partnership, which is a collaboration between all local councils in the Waikato Region, and also with the Crown and Iwi. The Future Proof Partnership was created on 15 August 2019 and also includes representatives from Auckland Council, Franklin Local Board, and Auckland/Hauraki Iwi to reflect the Crown's commitment to the Hamilton to Auckland Corridor Plan (**H2A Plan**) that was completed in 2019. Since the reconstitution of that partnership, the focus of effort has been on implementing H2A, with emphasis on developing a Hamilton-Waikato Metropolitan Spatial Plan (**MSP**) and a Waikato Sub-Regional Three Waters Project.

Hamilton to Auckland Corridor Plan (H2A)

11. The government's Urban Growth Agenda (**UGA**), introduced in 2018, is a shift in the approach to urban development and infrastructure in New Zealand. The main objective of the UGA is to improve housing affordability, underpinned by affordable urban land. This will be supported by wider objectives to:
 - a) Improve choices for the location and type of housing;
 - b) Improve access to employment, education and services;
 - c) Assist emission reductions and build climate resilience; and
 - d) Enable quality-built environments, while avoiding unnecessary urban sprawl.
12. One of the five interconnected pillars of the UGA is 'spatial planning' – to build a stronger partnership with local government as a means of developing integrated spatial planning.
13. The UGA identified the Hamilton to Auckland corridor (**H2A corridor**) as a priority area, acknowledging its role as New Zealand's most significant transport corridor. The H2A corridor connects two of New Zealand's fastest growing cities through an area of high natural and cultural importance and value.
14. In June 2018, a group of Ministers, Mayors and Chairs requested joint officials to undertake an enquiry into the H2A corridor, and to report back with:
 - a) A summary of 100+ year shared spatial intent for future urban growth and development along this cross-boundary transport corridor; and
 - b) A draft programme of possible key transformative projects.
15. The H2A Plan outlines the agreed spatial intent for the H2A corridor and a work programme of six focus areas and 13 key initiatives. The purpose of the H2A Plan is to develop an

integrated spatial plan and establish an ongoing growth management partnership for the corridor which:

- a) Accelerates identified transformational opportunities;
- b) Outlines key housing, employment, social, environmental and network infrastructure priorities for the corridor over the next 30 years to successfully accommodate growth and also address levels of service, remedial or renewal needs; and
- c) Identifies planning, development, infrastructure, mitigation, and restoration works required, and funding and legislative projects partners may take in the short term for implementation of a long-term vision.

16. The UGA has also mandated a role for central government to partner with local government and iwi. This has led to the creation of Urban Growth Partnerships – a process of formalising and maintaining a long-term and enduring relationship between the Crown, local government, iwi and local communities to deliver the UGA objectives.

17. The 2018 H2A Plan was updated in 2020. It provides a framework for managing development between New Zealand's two fastest growing metropolitan areas while protecting and enhancing the corridor's natural and cultural assets. The focus is on innovative and joined-up thinking, and collaboration to deliver on agreed outcomes.

18. Local authorities, iwi, communities, and industry face significant challenges in meeting their current and future Three Waters service needs. A key project being led by HCC through the H2A Plan is delivery of a sub-regional wastewater solution which would address the emerging need for a long-term and enduring solution to the Three Waters issues facing a number of Waikato councils.

Hamilton-Waikato Metropolitan Spatial Plan (MSP)

19. The MSP is the first joint spatial plan for the Hamilton-Waikato Metropolitan area (**metro area**) prepared by iwi, the Crown, and local government partners under the Future Proof Partnership. The metro area extends from Taupiri in the north to Te Awamutu and Cambridge in the south, with Hamilton at the core. The MSP takes a longer view of growth in this metropolitan area and plans for a future scenario in which 500,000 people reside.

20. The MSP sets out a framework to respond to the current and future challenges of the metro area to shape urban development in the long-term. By building on the success of the Future Proof Growth Management Strategy, the MSP helps to achieve the outcomes of the H2A Plan, the UGA and the draft Government Policy Statement for Land Transport. The development of the MSP has been undertaken in a way which does not limit itself to local government boundaries, recognising that the metro area is one urban system where existing development and resources are interconnected.

21. The MSP enables iwi aspiration through focusing on the Waikato River as the defining spatial element and ecological feature connecting the metro area and is at the heart of planning for its growth. It provides for growth in a way that protects and enhances valued water bodies; and restores and enhances ecological bodies.
22. The MSP identifies that Three Waters infrastructure is a key enabler for sustainable development and growth in the metro area and, if not effectively addressed, it will constrain and limit population and economic growth, as well as having negative environmental and cultural outcomes.

Hamilton's growth obligations

23. The National Policy Statement on Urban Development 2020 (**NPS-UD**) sets requirements on land availability for housing, and for Hamilton this means provision be made for 31,900 homes by 2048. While the Hamilton City Operative District Plan (**District Plan**) has zoned enough residential land to meet these targets, significantly more capital investment is required to ensure this residentially zoned land is serviced and ready for development.
24. The NPS-UD also requires Hamilton to provide enough business land for the retail, commercial, and industrial sectors. Recent monitoring indicates Hamilton has sufficient industrial zoned land in the short-term and long-term, while there is a small shortage (2ha) projected in the medium-term (3-10 years) unless additional long-term supply can be brought forward.

Growth in Hamilton and Metro Spatial Plan (MSP) context

25. With its own population projected to reach 200,000 by approximately 2030, Hamilton faces a significant challenge in accommodating that growing population. This challenge is compounded by the projected growth identified within the MSP, which plans for a total population within this broader geographic area extending to 500,000 people over the medium to long-term (within the next 30 to 100 years).
26. Access to water is critical to this growth. This submission addresses HCC's concern not just for its own water demand, but also the demand associated with the MSP growth projections. In this respect, HCC's submission addresses the issues facing all local authorities within the metro area which may be affected by Three Waters reforms in the future. In the event that a new and separate waters entity is created in the future, access to potable water will not only be required to service growth within the HCC territorial boundary, but also beyond that boundary to the extent of the metro area.

WATER SUPPLY IN HAMILTON

27. Hamilton is wholly dependent on the Waikato River for its water supply, as are many other Waikato towns. In 2009, WRC granted HCC a 35-year consent to extract water from the Waikato River (**HCC consent**) which expires in 2044. The HCC consent provides for increases in maximum daily take volumes starting from 105,000m³ per day in 2009 to 146,000m³ per day from December 2038. The 'stepped' takes were based on municipal growth forecasted at the time of consent.
28. This stepped approach ensures that, as the city grows, so does the amount of water HCC can take from the river to meet the increased demand. It also allows other users of the Waikato River access to the water on a short to medium-term until such time as the population within Hamilton grows to necessitate the additional take authorised by the consent.
29. HCC currently uses a peak water abstraction of approximately 93,000m³ per day and has recently secured a step up to a maximum of 120,000m³ per day. Using that 'headroom' it has allowed Watercare to 'borrow' up to 25,000m³ per day from its take, in order to assist Auckland to address its current drought situation. That arrangement will end by 2023 at the latest.

WATER DEMAND PROJECTIONS

30. Based on current population projections, HCC may have insufficient water available under its existing consent to accommodate the projected growth in Hamilton between now and 2044, when its current water take consent expires. In addition, it is clear that after 2044 a renewed consent will be required which will need to extend the allocation beyond 146,000m³ per day. To address growth projections out to 2061, it is estimated that the volume required will be in the range of 186,000m³ per day to 240,000m³ per day. This is a conservative estimate, as it only accounts for 5,000m³ per day to service regional municipal demand outside of the Hamilton City boundary (well-below projected demand beyond the boundary), nor does it account for further demand arising within the broader metro area which is addressed below.
31. These figures highlight that HCC has an interest in the ongoing allocation of water from the Waikato. By allocating additional water to Watercare as sought, this may impact HCC's ability to obtain a renewed and extended water take consent as required to service the growing population.
32. Constraints on potable water resources will have a significant impact on economic growth in Hamilton and the wider Waikato Region, and on the wellbeing of those living in Hamilton and the broader metro area. These economic considerations need to be factored into the economic analysis relating to the Application so that the interrelationship between the Auckland and Waikato economies is not ignored. The strategic significance of this relationship is so important to New Zealand that decisions on the efficient allocation of the water resources of the Waikato River must ensure that the allocation provides for the best overall outcome for both Auckland and Hamilton.

33. HCC considers that these issues can be resolved in a way that serves both the Auckland and Hamilton joint interests. Clearly Watercare has an immediate need for water in the short-term. HCC's need for additional water allocation arises in the medium- to long-term. Accordingly, HCC seeks a solution which sees the immediate needs of Auckland met, while preserving allocable flow for the medium to long-term to enable HCC to meet its needs over this extended timeframe. For that reason, HCC seeks specific relief in relation to the duration of consent if granted.
34. Linked to the matters identified above are a range of issues which are required to be addressed in order for HCC's concerns to be met. Those issues are identified further below.

STATUTORY CONSIDERATIONS

35. The BOI's consideration of the Application will be guided by a range of statutory instruments. These are addressed briefly below.

National Policy Statement for Freshwater Management 2020 (NPS-FM)

36. Central to the NPS-FM is the concept of Te Mana o Te Wai, which is described as:

A concept that refers to the fundamental importance of water and recognises that protecting the health of freshwater protects the health and well-being of the wider environment. It protects the mauri of the wai. Te Mana o te Wai is about restoring and preserving the balance between the water, the wider environment, and the community.

37. Te Mana o Te Wai encompasses six principles relating to the roles of tangata whenua and other New Zealanders. Aligned to these principles is a hierarchy of obligations, stated as Objective 2.1, that resources are to be managed in a way that prioritises:
- a) First, the health and well-being of water bodies and freshwater ecosystems;
 - b) Second, the health needs of people (such as drinking water); and
 - c) Third, the ability of people and communities to provide for their social, economic, and cultural well-being, now and in the future.
38. The NPS-FM also requires freshwater to be allocated and used efficiently, and that over-allocation be avoided (Policies 11 and 15).

39. On the basis that the allocatable flows and minimum flow levels in the Waikato River have been established to achieve the first objective – that is they have been set at levels that protect the health, well-being and ecosystems of the River – priority for the management of resources must then turn to the allocation of water for the health needs of people.
40. While the Application seeks to provide for the drinking water needs of Auckland’s community in the short- to medium-term, HCC is concerned to ensure that this is not at the expense of providing for the long-term drinking water needs of Hamilton and the wider Waikato communities. The current allocation regime for the Waikato River does not expressly include an allocation for the long-term water supply needs of communities – it is based on ‘a first in, first served’ approach.
41. We expect this to be addressed in future regional plan changes that give full effect to the NPS-FM. However, in the interim, HCC considers it imperative that decisions on current applications, including that of Watercare and those others currently in the queue, do not result in the full allocation of the available resource without provision for Hamilton’s future drinking water supply needs. To do so would be contrary to the hierarchy of priorities directed by the NPS-FM.

Te Ture Whaimana

42. The Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 (**Settlement Act**) provides that the Waikato River and its contribution to New Zealand’s cultural, social, environmental, and economic wellbeing are of national importance¹. Embedded within the Settlement Act is Te Ture Whaimana, the primary direction-setting document for the restoration and protection of the Waikato River. The Environment Court has held that Te Ture Whaimana “affects all decisions which may affect the river or its catchment”². Section 17(3) of the Settlement Act requires the BOI to have particular regard to Te Ture Whaimana in determining the Application. Section 12(1) of the Settlement Act states that the Vision and Strategy prevails over any inconsistent provision of a national policy statement.
43. Te Ture Whaimana’s objectives include:
 - a) The restoration and protection of the health and wellbeing of the Waikato River (Objective a);
 - b) The restoration and protection of the relationship of Waikato-Tainui with the Waikato River, including their economic, social, cultural, and spiritual relationships (Objective b);
 - c) The restoration and protection of the relationship of Waikato River iwi according to their tikanga and kawa, with the Waikato River, including their economic, social, cultural and spiritual relationships (Objective c).

¹ Settlement Act, s 9.

² *Puke Coal Limited v Waikato Regional Council & Ors* [2014] NZEnvC 223 at [89].

- d) The restoration and protection of the relationship of the Waikato region's communities with the Waikato River including their economic, social, cultural and spiritual relationships (Objective d).
 - e) The integrated, holistic, and coordinated approach to management of the natural, physical, cultural and historic resources of the Waikato River (Objective e).
 - f) The recognition that the strategic importance of the Waikato River to New Zealand's social, cultural, environmental and economic wellbeing requires the restoration and protection of the health and wellbeing of the Waikato River (Objective j).
44. There is clearly special recognition in Te Ture Whaimana of the integral role and function of the Waikato River within the communities, and for iwi, of the Waikato and their important relationship with it. Given this acknowledgment and direction by Parliament, and the primacy of Te Ture Whaimana in the BOI's determination of the Application³, substantial regard must be given to ensuring that the Waikato River is managed in the interests of the river itself and to restore and protect the relationship and reliance that Waikato iwi and communities that have with it. That is, the future social, cultural, and economic aspirations of Hamilton and Waikato iwi and communities, should not be inappropriately curtailed or compromised through the granting of the Watercare application.

Waikato Regional Planning Framework

45. The Waikato Regional Policy Statement (**RPS**) and Waikato Regional Plan (**WRP**) also explicitly recognise and provide for the allocation of water to meet the reasonably foreseeable and justified needs of municipal supply, together with industry and primary production.
46. Objective 3.2 of the RPS directs the recognition and provision of sustainable resource use and development and its benefit to enable people and communities to provide for their economic, social, and cultural wellbeing. This includes by maintaining and enhancing:
- a) Access to natural resources to provide for regionally significant industry and primary production supporting that industry; and
 - b) The availability of water for municipal and domestic supply to people and communities.
47. RPS Policy 8.6(c) also requires management of the increasing demand and competition for water through the setting of allocation limits, efficient allocation within those limits, and other regional plan mechanisms which achieve identified freshwater objectives and, amongst other matters, enable the existing and reasonably justified foreseeable domestic or municipal needs of people and communities to be met.

³ *Puke Coal Limited v Waikato Regional Council & Ors* [2014] NZEnvC 223 at [90].

48. Objective 3.3.2 of the WRP seeks that water allocation and use is managed in a way that ensures:
- a) Giving effect to the overarching purpose of Te Ture Whaimana to restore and protect the health and wellbeing of the Waikato River for present and future generations.
 - b) The availability of water to meet the existing and the reasonably justified and foreseeable future domestic or municipal supply requirements of individuals and communities and the reasonable needs for an individual's animal drinking water requirements.
 - c) The recognition of the significant community benefits that derive from domestic or municipal supply takes.
 - d) The efficient allocation and the efficient use of water.
49. Accordingly, the regional planning framework also clearly directs the allocation of water to provide for the reasonably justified and foreseeable future municipal supply requirements of communities. While the Application seeks to achieve this for the Auckland community, it risks doing so at the expense of the likely future requirements of Waikato's communities, including the potentially significant increase in demand from Hamilton's growth.

Summary of alignment with statutory provisions

50. The Application has indicated that there is sufficient water available to grant Watercare's existing take without causing any of the prior applications to exceed the allocable flow on the basis of 'first in, first served' in respect of the remaining available water under the established water allocation limit. Figure 2 of the Watercare application indicates that following the granting of its application and those that are before it in the queue, that the resource will be fully allocated in some months of the year.
51. However, this approach fails to recognise the relevant statutory framework including the NPS-FM, the RPS and the WRP – which direct the management of water resources in a way that prioritises the provision of water to meet the reasonably justified and foreseeable future municipal supply requirements of Hamilton and other Waikato communities.
52. Further, Te Ture Whaimana directs that effect be given to ensuring that the Waikato River is managed in a holistic and integrated way that reflects the national importance of the Waikato River. Management of the river and its catchments must also be undertaken in a way that restores and protects not only the river itself, but also the relationship that Waikato iwi and communities have with it including to meet their social and economic needs. If all the remaining allocatable water is allocated to meeting Auckland's water supply needs, there is a significant risk that the future growth, social, cultural, and economic aspirations of Waikato iwi and communities will not be met.

53. Accordingly, without amending the Application in line with the relief sought by HCC, or similar, the proposed activities are inconsistent with the relevant statutory framework and as a result, Part 2 and other provisions of the RMA, in that they:

- a) Do not promote the sustainable management of the natural and physical resources within the Waikato Region (s 5);
- b) Do not meet the reasonably foreseeable needs of future generations (s 5), in particular the future water supply needs of Waikato communities;
- c) Do not enable the social, economic and cultural wellbeing of the people of the Waikato Region (s 5);
- d) Do not avoid, remedy or mitigate actual or potential adverse effects on the environment (s 5);
- e) Do not recognise and provide for the following matters of national importance: the protection of the Waikato River from inappropriate use and development, and the relationship of Maori and their culture and traditions with their ancestral lands, water, sites, waahi tapu, and other taonga (s 6); and
- f) Do not have regard to kaitiakitanga, the ethic of stewardship, the efficient use of the Waikato River and the finite characteristics of the Waikato River (s 7).

FURTHER ISSUES

Economic Assessment

54. The economic assessment in the Application is very limited in its scope. It focuses on meeting Auckland's needs in the medium-term in order to 'solve' the likely supply constraint that will arise in the mid-2030s. However, it fails to consider the wider implications of a shortfall of water supply for the Waikato community beyond 2044. The economic assessment in the Application is deficient in this regard. The issue is best demonstrated by Figure 1 below.

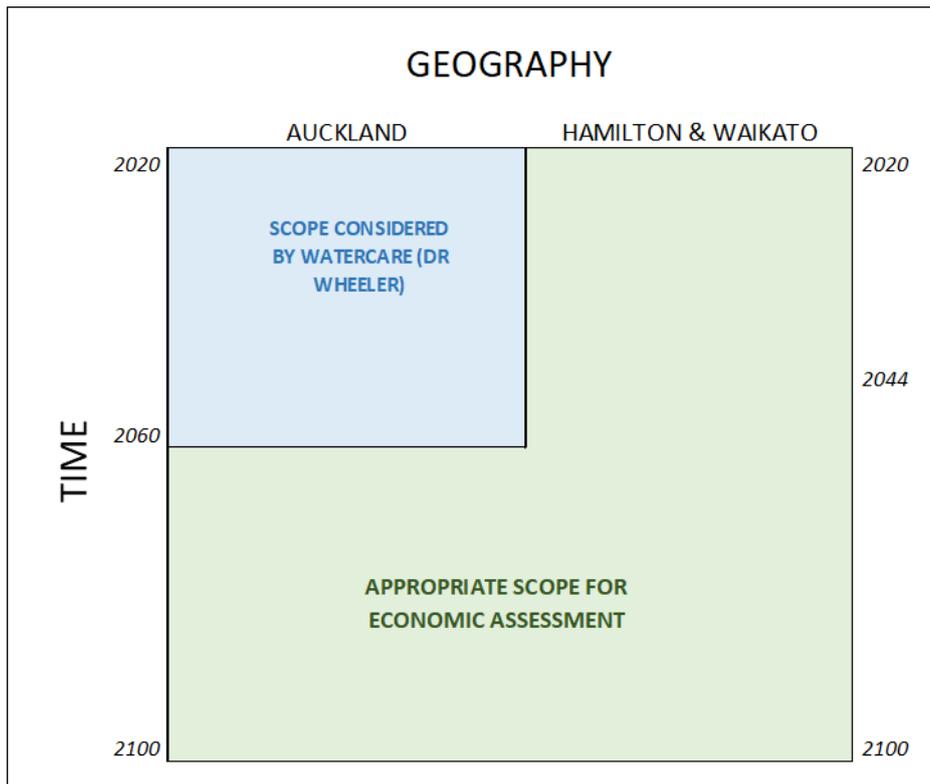


Figure 1 – Scope for assessing Waikato River water allocation

55. Water is essential to sustain the population and support economic activity. The Waikato River is the main water source for both Auckland and Hamilton, and for much of the Waikato Region. That, and the existing allocations, define the appropriate geography for the economic assessment. It is not appropriate for the BOI to adopt any approach that excludes Hamilton, and the identified potential opportunity cost, from its assessment.
56. Once population and economic activity are established, then that level of activity, and associated water consumption, is the assumed minimum going forward. Major cities like Auckland and Hamilton generate massive growth momentum. These factors mean that unless the issue is addressed within the consent conditions, short- to medium-term water allocations are also, due to renewal rights, the long-term or permanent allocations. Unless specifically provided for and understood by the consent holder, it is unrealistic to expect a wind-back of water allocation. Accordingly, for all practical purposes, unless properly addressed at the time the consent is granted, water allocation needs to be considered as a permanent outcome. However, that need not be the case if the consent recognises that an alternative source is being developed and there is a high degree of certainty about such alternatives, including their timing.
57. Any evaluation of the Hamilton and Waikato scenario must take into account not only the population growth projections identified within Hamilton City, but also the overall population and economic growth intended for the metro area.

58. Accordingly, it is critical that the BOI adopt a wider scope for the evaluation that both applies a longer time perspective and the wider geography of Auckland and the Waikato. Any allocation decision needs to be made with that wider geographic and timespan lens.

Watercare's reliance on the Waikato River long-term

59. Given the scale of Auckland, and its ongoing growth, water demand will continue to increase. The consideration and development of alternative water supply sources, such as desalination, to service this increased demand is necessary. HCC considers that Watercare's reliance on the Waikato River for water supply should progressively decrease and its water then be reallocated.

60. The Application indicates that Watercare only intends to use the additional take 'as necessary'. It further indicates that alternative water supplies will be developed over time to meet projected demand in Auckland. Investment now in an (initially) more expensive alternative water supply option for Auckland may result in better overall community and economic outcomes for Auckland, Waikato, and the wider national economy. Based on its own high-level review, HCC is concerned that some of Watercare's cost estimates for some of the large-scale alternative supply options are overestimated. Further analysis is required. For HCC to support the Application, Watercare's development of alternative water supply sources by set deadlines must be embedded in the conditions of consent.

61. Further, in light of the potential shortfall in water supply, granting long term resource consents for water abstractions would lock in unsustainable water use. The large volume of water sought means that the full allocation may not be utilised for some time with the consequence that this water will not be available for allocation.

62. The Application indicates that Watercare is open to temporary water transfers to enable unneeded water to be utilised. However, as proposed, the terms and conditions by which such a transfer takes place will be determined by Watercare.

63. HCC considers that these issues could be addressed, at least in part, by Watercare's consent being limited to a duration of 20 years, and with an 'Augiers' condition offered up by Watercare which relinquishes any s 124 (or equivalent) renewal rights.

RELIEF SOUGHT

64. That the Application be refused; or in the alternative,

65. That the Application be granted, subject to:

a) Imposing a consent term of 20 years;

- b) Conditions requiring Watercare to report to WRC at regular periods during the term of the consent on implementation progress made towards securing alternative water sources identified in the Watercare application, so that it is reducing, over time, its reliance on the Waikato River to the extent that the renewal of the water take which is the subject of the Application is not required by Watercare;
- c) A comprehensive suite of monitoring, reporting and review conditions with “feedback loops” relating to water allocation, water demand management and monitoring effects on the Waikato River;
- d) Any such further conditions that assist to preserve the allocable flow of the Waikato River over the medium to long-term;
- e) A condition, offered up by Watercare, relinquishing any s 124 (or equivalent) renewal rights; or
 - I. A condition requiring Watercare to progressively reduce its take during the final years of the consent so that immediately upon expiry it is significantly less reliant on the take; and
 - II. A condition requiring Watercare to move to an “above median flow” take immediately before expiry; and
- f) Any such further conditions that address the issues identified in this submission and are necessary to achieve the purpose of sustainable management.
- g) Any such further similar relief as necessary to preserve the allocable flow of the Waikato River over the medium to long-term and as necessary to achieve the sustainable management of the water resources of the Waikato River for future generations.