

IN THE MATTER of the Resource Management Act 1991

AND

IN THE MATTER of **PROPOSED PLAN CHANGE 1** to the Waikato Regional Plan – hearing of **BLOCK 1** topics

AND

IN THE MATTER of the hearing of the further submission by **WAIKATO REGION TERRITORIAL LOCAL AUTHORITIES COMPRISING THE WARTA GROUP** in relation to **BLOCK 1** topics

STATEMENT OF EVIDENCE OF GARRY DAVID DYET AS SPOKESPERSON FOR THE WAIKATO REGION TERRITORIAL LOCAL AUTHORITIES

1. **INTRODUCTION**

1.1 My full name is Garry David Dyet.

Qualifications and experience

1.2 I hold a Diploma in Environmental Health Inspection (1980), a New Zealand Certificate in Town Planning (1989), and a Masters in Public Policy Analysis (1995).

1.3 I am the Chief Executive of the Waipa District Council and I have held that position since July 2009.

Waikato Region territorial local authorities

1.4 After lodging of submissions on Waikato Regional Plan Change 1 (“PC1”), a number of territorial local authorities formed an informal alliance called the Waikato Region territorial local authorities (“WARTA”) for the purposes of working together and sharing information in relation to PC1. It was decided that WARTA should lodge a further submission and present a united case to

WRC in relation to provisions of PC1 that WARTA have a common interest in.

1.5 The territorial local authorities which comprise the membership of WARTA are:

- (a) Taupo District Council;
- (b) South Waikato District Council;
- (c) Otorohanga District Council;
- (d) Waitomo District Council;
- (e) Waipa District Council;
- (f) Hamilton City Council;
- (g) Waikato District Council;
- (h) Matamata-Piako District Council;
- (i) Hauraki District Council; and
- (j) Thames-Coromandel District Council.

1.6 In order to avoid repetition and to streamline the process, I have been appointed as a spokesperson for WARTA members and authorised to comment on issues in respect of which WARTA members have a common position in the Block 1 hearings.

Acknowledgement of relationships with the rivers

1.7 In presenting this statement of evidence on behalf of WARTA, we acknowledge the special relationships that Ngāti Tūwharetoa, Raukawa, Te Arawa, Ngāti Koroki Kahukura, Ngāti Haua, and Waikato-Tainui have with the Waikato River and that Ngāti Maniapoto have with the Waipa River.

1.8 WARTA is supportive of achieving the Vision and Strategy for the Waikato River that is included in the Waikato Regional Policy Statement.

Purpose and scope of evidence

1.9 As spokesperson for WARTA, the purpose of this statement is to present WARTA's agreed position in respect of issues of common interest. In this Block 1 hearing, those issues fall within a relatively narrow compass and

relate to economic issues and ensuring that the provisions of PC1 do not impose unnecessary or inappropriate burdens on WARTA members in relation to point source discharges from wastewater treatment plants ("WWTPs").

1.10 Against that background, my evidence is structured as follows:

- (a) Comment on negative economic impacts and costs of PC1 (Section 2).
- (b) Ensuring adequate provision is made in PC1 for point source discharges from WWTPs (Section 3).

2. COMMENT ON NEGATIVE ECONOMIC IMPACTS AND COSTS OF PC1

2.1 With the exception of Hamilton City Council, the members who comprise WARTA are small rural councils whose district economies are heavily dependent on the success of rural economic activity – sheep and beef farming, dairying, horticulture, forestry, etc.

2.2 Rural production activities will be significantly impacted by PC1 and, in that regard, I note the following comments from one of the economic modelling reports prepared as part of the PC1 process:

*"Model output shows that the proposed policy mix will have a significant negative impact on income, employment, and exports within agricultural industries in the Waikato region and those sectors that provide services to them. These impacts are further magnified when connections with industries across the nation are considered. The negative economic outcomes associated with improved water quality are perhaps unsurprising given that in the Waikato region contaminant loss from agriculture is a key cause of water-quality decline (McDowell and Wilcock, 2008), agricultural production is a key source of income and jobs (Doole et al., 2015a), much intensive agriculture is present in the catchment, and there is a distinct lack of profitable mitigation activities across the range of agricultural enterprises and contaminants considered within the HRWO process (Doole, 2015; Doole and Kingwell, 2015). The scale of these losses is also somewhat further exacerbated, given that significant intensification and associated increases in income are predicted to occur in the absence of the WRPC1."*¹

(Emphasis added)

¹ Regional and national level economic impacts of the proposed Waikato Regional Plan Change No. 1—Waikato and Waipa River Catchments, 12 August 2016. Garry McDonald and Graeme Doole

2.3 I also note the following comments from Dr Wheeler’s evidence on behalf of WARTA:

"PC1 seeks to achieve a 10% step over 10 years toward achieving target water quality states in 80 years. ² The following table shows the losses estimated to result from the implementation of PC1 as presently proposed to achieve that 10% step.

<i>Economic Effects</i>	<i>Value Added \$m</i>	<i>Employment (MEC)</i>	<i>International Exports from NZ \$m</i>
<i>Waikato Region</i>	<i>-106</i>	<i>-938</i>	<i>-78</i>
<i>NZ Wide Impact</i>	<i>-193</i>	<i>-1,880</i>	<i>-120</i>

Source: McDonald and Doole (ibid)

These economic effects are negative, material, and unacceptable."

2.4 I further note that Dr Wheeler has produced the following table at paragraph 9.2 of his evidence showing the significant costs of PC1 on specific WARTA members and noted that the same information is not available for Taupo District Council or Matamata-Piako District Council.

Council	Decrease in sector profit (\$m p.a.)	%	Decrease in value added (\$m)	%	Decrease in employment count	%
Hamilton City	0.2	1%	14.9 - 20.8	18%	138 - 184	19%
Otorohanga District	5.8	15%	6.9 - 11.8	10%	66 - 114	11%
South Waikato District	4.8	13%	7.2 - 12.6	9%	56 - 97	9%
Waikato District	13.7	36%	17.2 - 27	29%	158 - 248	25%
Waipa District	7.6	20%	15.1 - 24.8	25%	135 - 221	27%
Waitomo District	5.7	15%	6 - 8.9	8%	49 - 74	8%
TOTAL	37.8	100%	106	99%	938	99%

² Ibid.

- 2.5 The significant negative impacts and costs I have highlighted above are of real concern to WARTA members. In that regard, I note in particular that Ms Shattock, Mayor of the South Waikato District Council, has filed evidence regarding the profound effects on mainstay industries and the loss of jobs, etc., in the South Waikato District.
- 2.6 I share Mayor Shattock's concerns and note that a significant loss of jobs (135 to 221 per the table above) are predicted in the Waipa District, along with decreases in sector profit of \$7.6 million and a decrease in value added of between \$15.1 and \$24.8 million per the table above. Job losses, decreases in profit, and decreases in value added of that order will have significant negative impacts on the Waipa District.
- 2.7 Given the significant negative impacts and costs, WARTA considers that the Hearing Panel needs to be satisfied on the basis of clear and compelling evidence that PC1 as now proposed is necessary to achieve the purpose of the Resource Management Act 1991, to give effect to the National Policy Statement for Freshwater Management 2014 (Updated 2017), and to achieve the Vision and Strategy for the Waikato River.

3. **ENSURING ADEQUATE PROVISION IS MADE IN PC1 FOR POINT SOURCE DISCHARGES FROM WWTPS**

- 3.1 All of the WARTA members own and operate WWTPs and they have obligations to maintain them and continue to provide wastewater treatment pursuant to section 130 of the Local Government Act 2002. The relevant provisions of section 130 for present purposes state the following:

"130 Obligation to maintain water services

- (1) *This subpart applies to a local government organisation that provides water services to communities within its district or region—*
- (a) *at the commencement of this section:*
- (b) *at any time after the commencement of this section.*
- (2) *A local government organisation to which this section applies must continue to provide water services and maintain its capacity to meet its obligations under this subpart.*
- (3) *In order to fulfil the obligations under this subpart, a local government organisation must—*
- (a) *not use assets of its water services as security for any purpose:*

(b) *not divest its ownership or other interest in a water service except to another local government organisation:*

(c) *not lose control of, sell, or otherwise dispose of, the significant infrastructure necessary for providing water services in its region or district, unless, in doing so, it retains its capacity to meet its obligations:*

...”

3.2 WWTPs are significant capital assets that are expensive to operate, maintain, and upgrade. Nevertheless, they provide an essential service to their communities to enable those communities to provide for their social wellbeing and their health and safety.

Key concerns

3.3 Mr Harty’s evidence sets out in detail his concerns with PC1 in relation to point source discharges from WWTPs. In summary, his key concerns, and those of WARTA members, are that it is not clear on the face of PC1 how the short and long term water quality targets will be applied to point source discharges from WWTPs.

3.4 In particular, the key concerns arise because the objectives and policies of PC1 do not make any reference to the assimilative capacity of the Waikato and Waipa Rivers, with the potential result that the targets could be interpreted as applying at the point of discharge rather than after reasonable mixing. That in turn has significant implications regarding the millions of dollars required to upgrade WWTP plants. These matters are addressed in Mr Harty’s evidence.

Garry Dyet

22 February 2019