

Attention: Ministry for the Environment – Fast Track Applications Team
Topic: Hamilton City Council Fast Track Application
Date: 3 May 2024

Executive Summary

Hamilton is New Zealand's fastest growing city and needs significant strategic infrastructure solutions to enable growth.

Hamilton's value to New Zealand is significant and we have the potential to deliver substantial levels of housing, industry, and increased GDP.

We have robust strategic land use plans in place with agreed priorities and outcomes, and we need to fast-track our key strategic wastewater infrastructure to deliver on these.

Subject to any other fast track consents that may be granted, we will need to determine how we source additional water to service growth.

Enabling Hamilton's Growth

Hamilton is New Zealand's fourth most populous and fastest growing city, located at the centre of an area where more than half of New Zealand's population live, and two-thirds of its recent population growth has occurred (Map 1).

Hamilton has a number of competitive advantages.

- our strategic location and transport connections – providing access to 50% of the country's population.
- New Zealand's youngest labour force – median age 33.
- Competitive cost-of-living and housing choice when compared to other major cities.

Hamilton currently has around 60,000 homes for around 180,000 people. It's projected that over the next 50 years these numbers will double to around 120,000 homes for about 310,000 people.

Our \$13 billion economy made up 42% of the Waikato's \$33 billion GDP in 2023 and provided 44% of the jobs across our region.

During the past five years, Hamilton has experienced higher levels of population, GDP, and job growth than New Zealand. Data from 2019 - 2023 shows that the city's population grew by 7%, GDP lifted 12% and there was a 10% increase in jobs. This compares to 5%, 8% and 8% increases respectively for New Zealand.

Hamilton

City Area	11,093 ha
Population	185,300
Businesses	17,403
Filled jobs	107,032
New houses completed 2023	1257
Median house price	\$808,000

Hamilton's Importance to Waikato

Land area	0.5%
Jobs	44%
GDP	42%

Hamilton's Importance to New Zealand

Jobs	4%
GDP	4%

Potential growth and GDP

Hamilton has a number of housing and industrial land offerings within the city, however there are currently constraints on high-water use industries, and wastewater constraints across large areas of the city which limit both residential and industrial market offerings despite zoning being in place.

Over the medium and long-term, our latest Housing and Business Capacity Assessment (a requirement of the NPS-UD) has also identified a short-fall in industrial land for Hamilton. This suggests that additional land (and subsequent servicing capacity), beyond what is currently planned for, will be required to meet this demand.

In terms of unlocking and enabling our future growth potential, a package of regionally/nationally significant wastewater infrastructure is required that will ensure that the City, and wider Metro Sub-Region (Map 2), can deliver significant economic and housing benefits.

The packages:

1. Metro Wastewater Treatment Plant Service Packaging

A package of over \$1 billion of investment in wastewater treatment, consisting of:

- **Southern Metro Wastewater Treatment Plant**
A staged \$500+ million investment over 30 years into a new wastewater treatment plant to provide for future planned growth in Hamilton's south, the Airport's industrial area and communities south of Hamilton, both in Waipa and Waikato Districts.
- **Pukete Wastewater Treatment Plant Reconsenting and Expansion**
\$500+ million investment over 15 years into Pukete treatment plant to get ready for subregional growth and higher discharge standards.

2. Hamilton Bulk Wastewater Storage Programme

A total investment of \$130+ million over 10 years, to develop wastewater storage devices used to reduced wastewater overflows and open up additional capacity in the strategic wastewater network.

Metro Wastewater Context

The Waikato region has seen, and is forecast to continue seeing, tremendous growth and development in commercial, industrial, and residential areas, placing pressure on existing wastewater infrastructure, and creating further demand for wastewater treatment and management services.

The Waikato-Hamilton-Waipā Southern and Northern Metro Wastewater Detailed Business Cases (DBC) are being jointly delivered through strong collaboration between Iwi, mana whenua and Waikato, Hamilton and Waipā councils as part of the Future Proof Partnership.

Through the DBC, the parties have identified preferred servicing solutions for wastewater infrastructure and have worked through how these will be planned, funded, and constructed.

The Metro Sub-Region includes several areas either zoned for development, or with significant development potential located on the periphery of existing urban settlements. Many of these areas currently have limited wastewater services. In some cases, no servicing is planned, despite the lack of wastewater services constraining development. This means the land is zoned for development without sufficient long-term servicing solutions, or it prevents land that could unlock significant economic potential from being zoned and developed.

In many cases, population growth exceeded forecast projections, leading to discrepancies between what was expected and what was required in terms of key wastewater infrastructure.

In addition, land use decisions in serviced areas have been made without long-term sustainable servicing solutions compatible with the broader needs of the Metro Sub-Region.

Further, some Plan Changes have been approved and adopted without funded and planned infrastructure resulting in 'plug and play' solutions being adopted. The adverse impacts of this are not just limited to the exceedance of existing network capacity. Plug and play solutions are not required to meet the same design principles of the public network, increasing operation cost through increased maintenance and early replacement associated with a reduced asset life.

Developers in some areas are providing their own on-site servicing for their projects. This results in fragmented networks and services that are complex to manage and renew. The efficiencies of scale provided by comprehensive wastewater reticulation and treatment is also reduced, resulting in increased costs, and reduced levels of environmental outcomes.

Future growth pressures are likely to exacerbate these issues.

Metro Water Context

In addition to the regionally significant wastewater infrastructure projects being developed and submitted for consideration through the Fast Track process, additional water allocation, treatment and network infrastructure will be required to support growth and unlock the potential of the Metro Area. Water allocation is and will continue to be a significant constraint to further development.

Solutions to overcome shortfalls in available water allocation will need to be identified as part of any future development that is approved through fast-track processes. This is a critical issue that is fundamental to Hamilton's growth.

HCC has resource consent to extract water from the Waikato River to supply our community. The consent expires in 2044. Hamilton has a single extraction point and water treatment plant to meet its potable water supply needs. The consented allocation is based on previous demand estimates and forecasts for existing development and residential and commercial growth within the current city boundaries. No allocation has been secured to supply water to new areas outside the city, or to supply "high water use" activities. The demand experienced within the city has outstripped previous forecasts, and current projections suggest that our current allocation is unlikely to be sufficient to

provide enough supply for planned growth out to 2044. Accordingly, Hamilton City anticipate the need to secure additional water allocation to meet the growth needs of the city in the future.

As a municipal water supplier, Hamilton City Council has the systems, skills and capability to provide a safe drinking water supply. Hamilton City is not supportive of private water supplies being adopted to meet the needs of new growth areas or communities on the periphery of the city. However, Hamilton City does not have water allocation or network capacity to supply those areas currently. In addition, to the need for additional allocation, a new water treatment plant will be needed to meet the long-term needs of the growing city and Metro Sub-Region. A new water treatment plant will resource consent to extract water from a new location.

Fast-Track Projects

The projects being submitted by Hamilton City Council will collectively facilitate growth in agreed areas and will be key enablers for the applications we understand will be lodged for additional urban growth around the city boundary.

They will also work to address existing capacity-related and potential future compliance issues.

In a Hamilton context, water and wastewater solutions are critical for enabling further urban development. Currently, our water supply and wastewater consents only cater towards known or planned growth. In addition to planned investment in new infrastructure, new fast-tracked developments, or areas outside of existing plans and strategies will necessitate additional water allocation and wastewater discharge capacity over and above what is currently authorised. The risk is that consented urban development projects will lack essential resources and utilities to function.

Not enabling strategic wastewater infrastructure investment through a fast-track process would likely stymie both planned and additional development offerings around Hamilton, and lead to suboptimal or negative outcomes in terms of ad hoc infrastructure solutions that are not well integrated with existing networks.

Progressing these projects quickly provides the best integrated servicing solutions to enable growth at pace and scale.

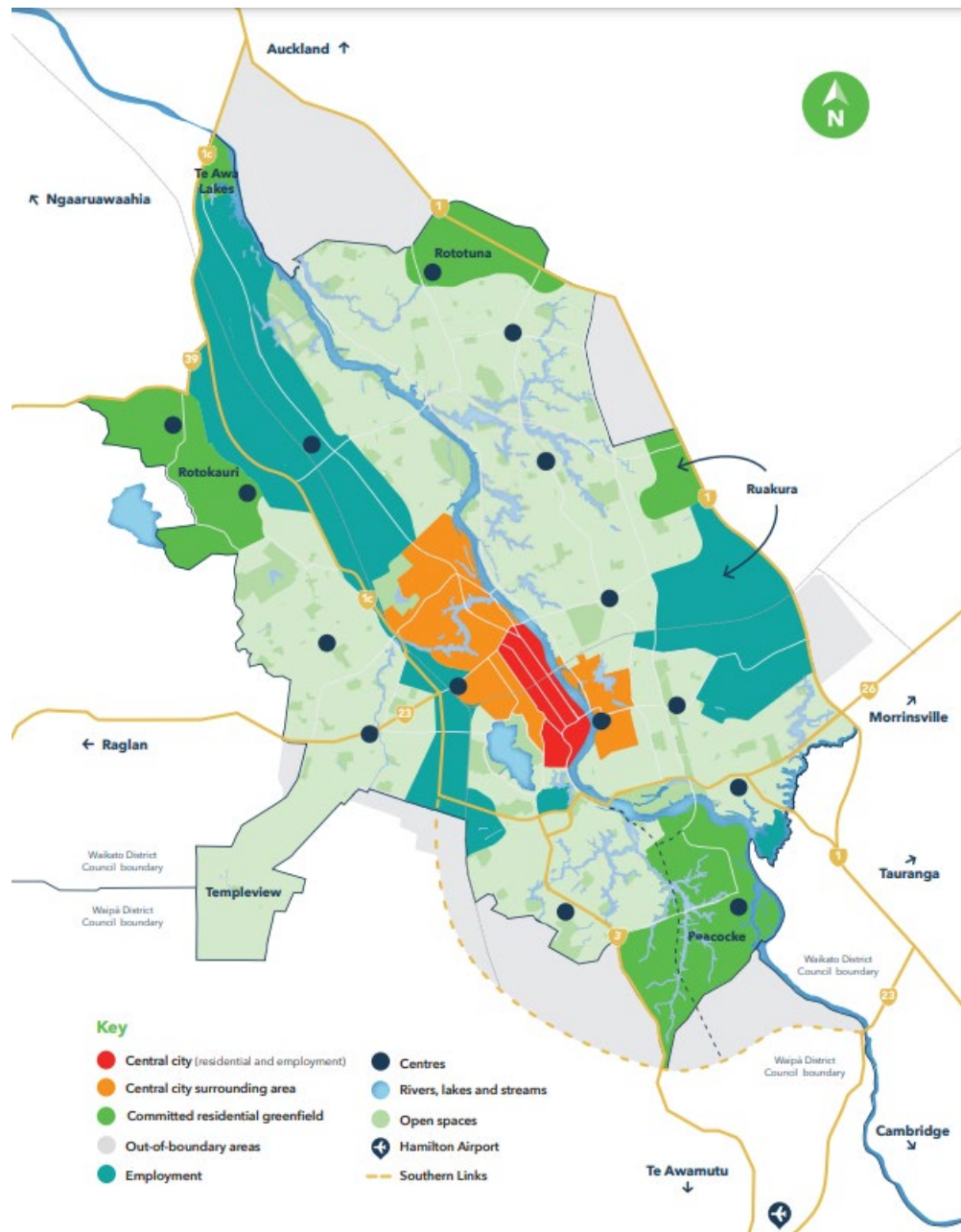
These projects also have clear funding pathways in Hamilton City's draft 2024–34 Long-Term Plan.

It is also likely that in the future, solutions for water allocation may also need to be submitted for fast-tracking.



Lance Vervoort
Chief Executive

Map 1: Hamilton City



Map 2: Hamilton Metro Sub-Region

