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Kia ora Geoff,

Watercare feedback on the draft National Infrastructure Plan (NIP)

This letter provides Watercare's support and observations on the draft NIP.

Our Shareholder, Auckland Council, has sent a letter to the Commission supporting the NIP on behalf of the Auckland Council Group. Watercare is supportive of Auckland Council's position but also wishes to share its unique perspective on NIP, as New Zealand's largest supplier of water and wastewater infrastructure.

This letter addresses:

- three recommendations related to Watercare's infrastructure (i.e. spatial planning, maximizing use; enabling environment) and provides Watercare's comments on these recommendations; and
- identifies a potential omission relating to better coordination to avoid out-of-sequence development.

I would be happy to meet with you to discuss our comments as well as the various challenges we are facing with out-of-sequence development if you believe this would be useful as you finalise the NIP.

1. Recommendations in relation to spatial planning

Under the new resource management system, spatial planning informs and is informed by infrastructure investment and asset management planning and the New Zealand Infrastructure Commission's independent view of long-term needs.

This recommendation would need to be implemented through new resource management legislation or secondary legislation. To address identified issues, we expect it to clarify the relationship between spatial plans and infrastructure funding decisions made under the Local Government Act and Land Transport Management Act. New legislation is currently under development and the Commission is inputting into the design of the new system.

Watercare's Comments

Most of Watercare's infrastructure and all of the users of Watercare's infrastructure are in the Auckland Region. Watercare has vital parts of its water and wastewater networks in the Waikato District, Hauraki District and Waikato Region.

Spatial plans, if limited to a regional view, would result in the value of Watercare's infrastructure to Auckland not being adequately recognised and could mean there is not a consistent view of the value of this infrastructure.

Realigning local government boundaries may not necessarily improve the coordination of Watercare's infrastructure and result in better planning outcomes.

The National Policy Statement for Infrastructure (NPS-I) provides a national-level framework to ensure consistency and support for infrastructure development across boundaries and the NIP should recommend that cross regional boundary infrastructure and the associated water takes and discharges are recognised.

Watercare asks that the NIP provides consistent recognition and support for infrastructure development across boundaries. Watercare considers that with the significance of the infrastructure located in the Waikato Region that supports both Waikato and Auckland urban areas, a broader view should be taken than the Auckland Region.

2. Recommendation in relation to Maximising use

That land-use policies enable new and existing infrastructure to be used by as many people as possible.

This recommendation would need to be implemented through resource management reforms. New legislation is currently under development and the Commission is inputting into the design of the new system.

Watercare's Comment

The Utilities Access Act 2010 establishes a framework for managing access to transport corridors by utility operators, minimizing disruptions. The Act and the National Code of Practice for Utility Operators' Access to Transport Corridors is evidence that with the right framework in place it is possible to manage to enable a range of infrastructure providers to access the same resources.

However, the Act and the Code are not land use rules in terms of the resource management framework. Therefore, the Auckland Unitary Plan recognises the range of services that able to be located in the road network and provides for these in an integrated and coordinated manner in Chapter E26.

While the AUP also provides for Watercare's infrastructure in all zones, there are challenges in obtaining access to the land – whether it is publicly owned open space zones or privately owned residential /business zones. The NIP could recommend investigating changes to the Local Government Act 2002 to enable Watercare to easily access land where written consent is not available from the landowner and public notification is required, as well as to the Reserves Act where notification is required if the impact on conservation and recreational values of the land is more than minor.

3. Recommendation In relation to an enabling environment

The resource management system enables infrastructure with national and regional benefits, while managing interactions with surrounding land uses and negative impacts on the natural environment.

This recommendation would need to be implemented in an enduring way through resource management reforms, including a new national policy statement on infrastructure. To address identified issues, we expect the resource management system to include infrastructure-specific tools and pathways to enable infrastructure with national and regional benefits to be built and operated, while managing interactions with surrounding land uses and negative impacts on the natural environment. New legislation is currently under development and the Commission is inputting into the design of the new system.

Watercare's Comment

Most of Watercare's infrastructure and all of the users of Watercare's infrastructure are in the Auckland Region where there is one set of rules in the Auckland Unitary Plan (AUP). Watercare has vital parts of its water and wastewater networks in the Waikato District/Region. The status of the same work in both regions (Auckland and Waikato) and districts (Auckland, Hauraki District and Waikato) is different. While some of this may be attributed to the specific location or environment of works (close to a stream or outside a school),

ensuring that the rules in both regions (Auckland and Waikato) and districts (Auckland and Waikato) are the same, would reduce the complexity and risk for Watercare.

The NIP notes that Infrastructure projects can take years to get consent. Constant changes to rules and unclear approval processes create delays, add cost, and make it harder to invest with confidence.

Watercare therefore suggests that the NIP should recommend the development of national standards **for water and wastewater infrastructure** as a priority. The draft National Policy Statement sets the context for the need for national standards but does not go that far.

The standards should cover both regional plan and district plan rules. These standards ideally should not be limited to the fixed infrastructure (pipes and structure dimensions etc.) but also upgrades and the temporary construction/ maintenance / upgrade works (covering earthworks, noise and other construction related effects).

The national standards could be beneficial in reducing delays and costs across New Zealand as they would also reduce the cost to infrastructure providers by not having to submit on RMA plans to ensure 'local' standards are appropriate for their infrastructure.

Auckland has one combined set of district plan and regional rules developed to deliver the day-to-day activities of 'network utilities in both the legal road and land outside the road subject to overlays and precinct rules. The planning framework in the AUP largely provides for many of Watercare's local water and wastewater network assets as a permitted activity and for construction works within a basic envelope while still protecting the environment and considering impacts on neighbours (e.g. noise and other construction-related effects). This reflects the benefit of one combined set of rules.

Watercare does not need to rely on designations for installing or operating its local water and wastewater network pipelines and above ground structures. However, Watercare is using designations to provide for the ongoing operation of existing pump stations and reservoirs and provide for future upgrades as future upgrades may be the subject of notified resource consents. This is because the notification assessments undertaken by the council in relation to temporary construction effects (with respect to infrastructure located in one place over a potentially long duration) as the effects are seen as impacting adjacent landowners/occupiers and the public. This is unlike a pipeline that is commonly installed progressively moving along a route, meaning that generally, the effects on adjacent parties are limited in duration. While operational effects of infrastructure are comparatively benign in many instances, this potential for notification is linked to the interpretation of effects in case law. Therefore, specification of non-notification in standards, especially for construction effects, should be recommended.

Delivery of strategic Watercare infrastructure includes consenting dams, water takes and discharges. These activities should be specifically considered in the NIP as it seems to be more focused on 'hard infrastructure'. It is recommended that the NIP consider these related and key aspects of water and wastewater infrastructure.

Watercare's comments on a potential omission regarding better coordination to avoid out-of-sequence development

The NIP notes the need to coordinate investment across sectors and between different infrastructure providers. It also notes that infrastructure providers must be able to coordinate to deliver and operate infrastructure cost effectively. This is a key challenge for Watercare.

Watercare plans the delivery and sizing of its infrastructure on the water supply and wastewater collection to meet the demands of existing and foreseeable populations. Determining what these demands are is a complex process guided by the Future Development Strategy (FDS) that sets out how Auckland will grow and change over the next 30 years.

Ensuring the water and wastewater network is able to service the intensification and density of residential development and future populations is made more complex by recent government directions for Auckland to upzone and intensify in some urban areas of the region and to enable green field development around the region to assist in delivering more houses to improve affordability.

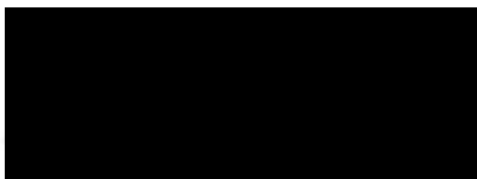
These central government proposals introduce uncertainty about the capacity of Watercare's planned and/or existing infrastructure to meet the potential future demand. Watercare must give effect to Auckland Council's Long-Term Plan (LTP) and act consistently with other plans and strategies of the council. These central government proposals can sometimes cause delays in the delivery of new infrastructure in terms of the LTP and Watercare's own asset plans as existing and planned infrastructure has to be reassessed and may need to be reprioritised to determine the water and wastewater network's ability to service the anticipated intensification led by central government.

Out of sequence development enabled through private plan changes and fast-tracked proposals can also result in further delay or require changes to Watercare's long-term planning. Reallocation of funding may be required in order to provide water supply and/or wastewater services, which would impact the delivery of other planned infrastructure. Where funding reallocation is not possible and connections are granted, existing and planned infrastructure capacity, including the upper limits of water take and wastewater discharge consents, may be taken up faster than planned, resulting in constraints to growth in live zoned areas (i.e. areas with operative urban zoning). In addition, approval of out of sequence growth results in considerable, additional operational costs being brought forward.

There is limited ability to increase underground pipeline sizes and other parts of the network to provide the required capacity to cater for greater demands in a timely and cost-effective fashion. This forces Watercare to decline connection requests and oppose private plan changes where servicing is not available. It also leads to developers proposing on-site and private solutions that are in the long-term problematic.

It would be helpful for the NIP to recommend better coordination between enabling growth (new live zones) and infrastructure providers' long-term plans to avoid the cost of out-of-sequence development. Watercare supports strengthening spatial planning by giving it legal weight in regulatory decisions and requiring it to inform and be informed by local authority long-term plans (Draft NIP p74).

Nga mihi




Chief Strategy & Planning Officer
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