



Ministry for the Environment
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TO: Ministry for the Environment

SUBMISSION ON: He Kura Koiora i hokia: A discussion document for a proposed National Policy Statement for Indigenous Biodiversity and proposed National Policy Statement for Indigenous Biodiversity ("**Draft NPS-IB**")

FROM: Watercare Services Limited

ADDRESS FOR SERVICE: The address for service specified below

DATE: 13 March 2020

1. SUMMARY

Watercare is pleased to have the opportunity to submit on *He Kura Koiora i hokia: A discussion document on a proposed National Policy Statement for Indigenous Biodiversity* and proposed National Policy Statement for Indigenous Biodiversity ("**Draft NPS-IB**").

Watercare supports the overall intention to maintain and restore indigenous biodiversity under the Resource Management Act 1991 ("**RMA**"). Watercare acknowledges that ensuring New Zealand maintains and enhances its indigenous biodiversity is crucially important. As such, Watercare is committed to ensuring the maintenance and, where possible, restoration of indigenous biodiversity in the planning and delivery of complex water and wastewater projects.

- 1.1 The nature and locational requirements of water and wastewater infrastructure means this infrastructure is commonly required to locate in with areas with indigenous flora and fauna. This is particularly the case in the Auckland region, which has a large population spread over a large area. Several of Auckland's water supply reservoirs, for example, are located in the Hūnua and Waitākere ranges, which have significant indigenous biodiversity values. Auckland is also characterised by areas of indigenous biodiversity located between and within population centres, which water and wastewater infrastructure needs to traverse in order to provide services.
- 1.2 Watercare is concerned that as currently drafted, the Draft NPS-IB does not adequately balance the protection of indigenous biodiversity with the need to provide for critical infrastructure. Watercare agrees that indigenous biodiversity (and other elements of the natural environment) must be maintained and, where practicable, enhanced. But water,

wastewater and other essential infrastructure critical for maintaining public health must also be provided for at the same time.

- 1.3 The Draft NPS-IB must be amended so as to not unnecessarily constrain essential water and wastewater infrastructure and the delivery of safe water and wastewater services. In particular, the Draft NPS-IB must be amended to provide for the development of new water and wastewater infrastructure and the re-development of existing infrastructure within Significant Natural Areas ("**SNAs**"). Amendments are also required to ensure that protections for biodiversity in areas outside SNAs, where biodiversity values are low, are more appropriately balanced with the need for water and wastewater infrastructure to locate in these areas.
- 1.4 Our specific submissions on the Discussion Document and Draft NPS-IB are set out below.

2. OUR PURPOSE AND MISSION

- 2.1 Watercare is New Zealand's largest provider of water and wastewater services. We are a substantive council-controlled organisation under the Local Government Act 2002 ("**LGA**"), owned by Auckland Council. Watercare is a limited liability company registered under the Companies Act 1993, governed by its own board of directors.
- 2.2 Watercare provides integrated water and wastewater services to approximately 1.6 million people in the Auckland region. In the 2018/19 financial year, Watercare treated 437 million litres of drinking water each day at 15 water treatment plants, and distributed that water via 85 reservoirs and 94 pump stations to 450,000 households, hospitals, schools, commercial and industrial properties. Watercare's water distribution network includes more than 9,000 km of pipes.
- 2.3 Watercare owns and operates water and wastewater infrastructure with national significance. This includes the Mangere, Rosedale and other Wastewater Treatment Plants ("**WWTPs**"), the Waikato River water take, water supply dams in the Hūnua and Waitākere Ranges, and Watercare's water treatment plants.
- 2.4 The water supply reservoirs in the Waitākere Ranges were developed in the early 20th century. These ensured an abundant supply of drinking water to the Auckland. Between 1910 and 1948, four dams were constructed and the water supply catchment areas for these dams protected from other use and development. One of the effects of this was to enable the protection and enhancement of indigenous biodiversity in the Waitākere Ranges. Shortly after this period of construction, another series of water supply dams were built in the Hūnua Ranges to the south of Auckland. These dams also had associated water supply catchment areas that provided for the protection of native vegetation and indigenous. Watercare has recently commenced an extensive native re-vegetation programme in the Hūnua Ranges within these water supply catchment areas.
- 2.5 Watercare's wastewater network collects, treats and disposes of wastewater at 18 treatment plants. It also includes 7,900 km of sewers. A number of wastewater treatment plants are being upgraded with treatment technology that will produce higher-quality treated wastewater, resulting in better environmental outcomes, and enabling the opportunity for wastewater reuse in the future.
- 2.6 To provide some context of the social and economic value of Auckland's water supply and wastewater infrastructure, Auckland's contribution to New Zealand's GDP is approximately 38 per cent. This contribution depends, to a large degree, on the availability of safe, secure and

reliable drinking water supply, and high-quality wastewater collection networks and treatment plants. In other words, this infrastructure and the water and wastewater services it provides is critical to enabling Auckland to continue to be the most significant single contributor to country's GDP and associated economic and social prosperity.

2.7 Watercare has a range of obligations under the legislative framework that governs our operations, including:

- (a) Obligations under the Local Government (Auckland Council) Act 2009 to manage our operations efficiently, be a minimal cost provider consistent with effective conduct of the undertakings and maintenance of long-term integrity of Auckland's water and wastewater assets, and ensure public safety in relation to this infrastructure.¹
- (b) Obligations under the LGA, including that Watercare must achieve its shareholder's objectives as specified in our statement of intent, be a good employer, and exhibit a sense of social and environmental responsibility.²
- (c) Duties under the Civil Defence Emergency Management Act 2002 as a lifeline utility to continue to provide water and wastewater services to the fullest extent possible in the event of emergencies.
- (d) Duties under the Health Act 1956 to ensure an adequate supply of drinking water and to comply with safe drinking water standards.

2.8 Watercare is required it to undertake its operations consistent with the Auckland Plan 2050.³ Watercare's asset management plan also needs to be consistent with both the Auckland Plan 2050 and Auckland Council's Long Term Plan 2018-2028. These Auckland Council documents set out where future population growth and corresponding urban development is anticipated, and therefore where provision of water and wastewater infrastructure by Watercare is essential.

2.9 To meet these obligations, Watercare plans Auckland's water and wastewater infrastructure development and funding requirements carefully, having regard to long-term delivery horizons. At all times, Watercare ensures that existing and proposed water and wastewater infrastructure for which we have (or will have) responsibility will maintain public safety, the integrity of the network, and Watercare's ability to comply with its statutory obligations.

2.10 Watercare's objective is to be a leader in sustainability, environmental impact and operational excellence. To this end, we have initiated a "40/20/20" vision for our capital works programme. Our vision is to reduce our infrastructure carbon by 40 per cent, reduce costs by 20 per cent and have a 20 per cent year-on-year improvement in health and safety. Watercare is also investing in new and innovative projects to respond to the challenges of climate change, including the 1MW floating solar array at the Rosedale ("WWTP"). This is planned to be operational in April 2020 and will be the largest and only floating array in New Zealand.

¹ Local Government (Auckland Council) Act 2009, s 57.

² LGA, s 59.

³ Watercare Services Limited – 2019-2022 Statement of Intent – pdf link: https://wslpwstoreprd.blob.core.windows.net/kentico-media-libraries-prod/watercarepublicweb/media/watercare-media-library/reports-and-publications/statement_of_intent_2019_2022.pdf

3. **LOCATIONAL REQUIREMENTS FOR AUCKLAND WATER AND WASTEWATER INFRASTRUCTURE**

- 3.1 Auckland's water comes from varied sources, including storage dams, aquifers and rivers. The three main water sources are storage dams in the Hūnua and Waitākere Ranges, an aquifer in Onehunga, and the Waikato River (collected near Port Waikato). Treated drinking water is carried from Watercare's 15 treatment plants via bulk transmission mains to supply customers throughout the region.⁴ Transmission mains are supported by a range of infrastructure including above-ground pump stations.
- 3.2 Wastewater in Auckland is collected from customers and transferred in bulk to WWTPs via a series of interceptors and main sewers. Wastewater transmission is also supported by range of infrastructure including pump-stations, bifurcation chambers, manholes and air vents. Over 90 per cent of Auckland's wastewater goes to the WWTPs at Mangere and Rosedale, with the treated wastewater being subsequently discharged into the Manukau Harbour (safely under strict consent conditions and quality standards, and usually on an outgoing tide).
- 3.3 The topography of the Auckland Isthmus, combined with its widespread urban development and ongoing growth, presents complex challenges for the delivery of water and wastewater services. With the exception of the Onehunga aquifer, Auckland is reliant on water sources located outside urban areas, such the Hūnua and Waitākere storage dams and the Waikato River take. This means Auckland's water storage and supply infrastructure is located in areas with a substantial amount of native bush and associated indigenous fauna. Many of Watercare's water and wastewater treatment plants are also necessarily located away from urban areas (to manage potential adverse effects on sensitive receivers) and, in the case of WWTPs, so as to be located near receiving environments (streams, rivers and the Manukau Harbour) for treated wastewater discharges.
- 3.4 The distribution of treated drinking water and the collection of wastewater for treatment requires more than 9,000 kilometres of transmission mains (watermains and wastewater interceptors) smaller water mains and sewers, and associated infrastructure such as pump stations and manholes. The linear nature of this infrastructure, combined with Auckland's geography and spread of urban development, means water and wastewater in Auckland is also necessarily required to traverse areas of indigenous biodiversity.
- 3.5 This situation is recognised within the Auckland Unitary Plan. Watercare has over 300km of water and wastewater pipes, transmission lines, interceptors, as well as multiple reservoirs and several treatment plants located in areas identified as Significant Ecological Areas ("**SEAs**") in the Unitary Plan. The SEA Overlay seeks to maintain and where possible enhance the values of identified SEAs in the Auckland region. However, it also appropriately enables and provides for the operation, maintenance and development of water and wastewater infrastructure within identified SEAs. This recognition within the Auckland Unitary Plan is fundamental to ensuring critical water and wastewater infrastructure can continue to service Auckland's growing population, in a way that also provides for the need to maintain indigenous biodiversity.
- 3.6 Another key challenge for water and wastewater service providers is the potential impacts of climate change. This, along with Auckland's urban development, population growth and geography, is also having significant impacts on Watercare's operations within the Auckland region. Planning for and investing in water and wastewater infrastructure in a manner that responds to these challenges requires flexibility and innovation. As currently drafted, the Draft

⁴ For more information, see <https://www.watercare.co.nz/Water-and-wastewater/Water-treatment-and-supply/Treating-water>.

NPS-IB is weighted too heavily towards the maintenance and protection of indigenous biodiversity. Amendments are required to re-balance this focus, such that Watercare and other infrastructure providers will retain the flexibility to develop innovative responses to adapt to climate change and other significant challenges facing New Zealand.

4. NARROW POLICY FOCUS

- 4.1 The Draft NPS-IB has 6 objectives and 15 policies. Five objectives are focussed on maintaining and restoring indigenous biodiversity, improving its integrated management, and recognising and providing for Hutia Te Rito and taking into account the principles of the Treaty of Waitangi in the management of indigenous biodiversity. The policies are similarly focussed.
- 4.2 There are no objectives and policies that specifically seek to provide for infrastructure. There is only one objective – 6(a) – that seeks to enable economic and social well-being of people and communities generally. There is only one policy (8) that considers the locational constraints that apply to subdivision, use and development. However, this is expressed in general terms and does not specifically provide for infrastructure, which has much greater locational constraints than other types of development like residential subdivision.
- 4.3 As set out above, Watercare supports the general direction of the NPS-IB to maintain and enhance indigenous biodiversity. However, Watercare is concerned that the Draft NPS-IB policy framework, which is silent regarding the needs of infrastructure, does not provide enough direction to territorial authorities to enable infrastructure in their plans. Sustainable management of resources cannot be achieved without enabling the necessary infrastructure to service communities and provide for their economic and social well-being.
- 4.4 In particular, water and wastewater infrastructure is necessary for safeguarding public health and is an essential part of modern, liveable and economically and productive societies. The Government is also introducing a suite of reforms to legislative frameworks around urban development to meet New Zealand's growing housing demands, including for affordable housing. All new housing developments need to be serviced by safe, secure and reliable water and wastewater infrastructure.
- 4.5 The failure to recognise and provide for the needs of water, wastewater and other essential infrastructure within the Draft NPS-IB risks directing territorial authorities towards prioritising only the achievement of maintenance and restoration of indigenous biodiversity outcomes. Regard also needs to be given to the critical infrastructure that is also necessary to protect public health, support high-quality urban development and enable our social and economic well-being.
- 4.6 Additional national direction must therefore be provided in the Draft NPS-IB to territorial authorities and CCO's to actively provide for water, wastewater and other infrastructure when undertaking planning within their regions and cities / districts. This will ensure the maintenance and restoration of indigenous biodiversity outcomes are achieved, whilst not disabling the infrastructure that is critical to protecting public health and meeting the broader economic and social needs of our communities. As currently drafted, the narrow policy focus in the Draft NPS-IB will not achieve this.

5. UNWORKABLE EFFECTS MANAGEMENT HEIRARCHY

- 5.1 The Draft NPS-IB includes a proposed definition of "effects management hierarchy". The effects of certain activities, such as nationally significant infrastructure within Medium value SNAs (discussed further below), are required to be managed in accordance with this hierarchy.
- 5.2 As currently proposed, Watercare is concerned the definition is too restrictive and places too much emphasis on directing that effects are avoided. Under the effects management hierarchy currently proposed, adverse effects must be avoided "where possible". The second step in the hierarchy, which is for adverse effects that cannot demonstrably be avoided, is for these effects to be remedied "where possible". It will only be where it is not possible to avoid or remedy adverse effects, that the other methods in the hierarchy (mitigation, offsetting and compensation) become available.
- 5.3 In Watercare's experience, it will often be physically "possible" to avoid or remedy an adverse effect on indigenous biodiversity. However, given the potential scale of water and wastewater infrastructure and the significant financial investment required, often it will not be feasible or practicable to avoid or remedy an adverse effect, even if it is physically possible to do so. If the costs and implications of avoiding or remedying an adverse effect become too high and the other methods in the effects management hierarchy are not available, infrastructure developments will be abandoned altogether. This will likely have consequential adverse effects on communities and their well-being that far exceeds the value of the indigenous biodiversity that may be protected as a result.
- 5.4 The effects management hierarchy definition must be amended to be less restrictive as to when mitigation, offsetting and compensation will become available, while still clearly prioritising the need to, firstly, avoid and thereafter remedy adverse effects. This can be achieved by replacing "where possible" with "where reasonably practicable" within the definition, as set out below:

Effects management hierarchy means an approach to managing the adverse effects of subdivision, use and development that required that

- a) adverse effects are avoided where ~~possible~~ reasonably practicable.
- b) adverse effects that cannot be demonstrably avoided are remedied where ~~possible~~ reasonably practicable

[...]

6. INAPPROPRIATE RESTRICTIONS ON NEW INFRASTRUCTURE WITHIN SIGNIFICANT NATURAL AREAS

- 6.1 The Draft NPS-IB proposes a new regime for the management of activities within SNAs to maintain indigenous biodiversity.⁵ In short, the effect of the Draft NPS-IB is to prevent any infrastructure in High value SNAs, and apply very strict controls on the development of infrastructure within Medium value SNAs. Infrastructure development within a Medium value SNA is only enabled for "nationally significant infrastructure" that has a functional or operational need to locate in the relevant SNA. This is an extremely restrictive approach that ignores the realities and requirements of essential infrastructure, as well as the critical contributions that infrastructure makes to the social and economic well-being of our communities.

⁵ Draft NPS-IB at 3.9.

Definition of "SNA"

- 6.2 The Draft NPS-IB proposes a definition of SNAs which includes areas identified in a district plan (or proposed district plan) as "significant natural areas" in accordance with clause 3.8 of the Draft NPS-IB. It also includes areas identified as significant indigenous vegetation or significant habitats of indigenous fauna in planning documents before the commencement of the NPS-IB.
- 6.3 However, the Draft NPS-IB also includes a third way to identify SNAs:
- [...]
- c) An area identified as an area of significant indigenous vegetation or significant habitat of indigenous fauna as part of an assessment of environmental effects.
- 6.4 This is strongly opposed. It is not appropriate for an SNA to be identified via an assessment of environmental effects ("AEE") submitted in support of a resource consent or notice of requirement. For example, many resource consent applications are not publicly notified. Persons potentially affected by an SNA classification imposed through a non-notified consenting process will not have any chance to participate in the decision-making process.
- 6.5 In addition, while an AEE might purport to identify an area as containing significant indigenous biodiversity, the decision-maker on the application may refine or reject this assessment entirely. At the extreme end of the scale, this proposed approach to SNA identification could potentially encourage persons to lodge consent applications supported by AEEs that identify areas of significant indigenous biodiversity, for land for which those persons do not own and do not intend to develop. This could be so that those persons are able to frustrate future development of land to which they may be opposed.
- 6.6 Part (c) of the proposed definition of SNA must be deleted.

High value SNAs

- 6.7 In preparing its submission on the Draft NPS-IB, Watercare has been engaging with Auckland Council. In its submission, Auckland Council does not support the two-tiered classification for SNAs into High and Medium value areas. Watercare agrees with this. In particular, Watercare agrees it will be administratively less complex and better aligned with the Unitary Plan to use the effects management hierarchy (cl 3.9(2) of the Draft NPS-IB) for all SNAs. As currently proposed, this hierarchy is only available for Medium value SNAs. Applying the effects management hierarchy to all SNAs will also provide more flexibility for infrastructure to locate within SNAs, given the significant locational constraints that infrastructure providers face in Auckland and elsewhere in New Zealand.
- 6.8 If the two-tiered classification for SNAs into High and Medium value areas is retained, a consenting pathway for "nationally significant infrastructure" must be provided for in High value SNAs. The locational constraints associated with essential water and wastewater infrastructure are discussed in detail below in relation to Watercare's submission on Medium value SNAs. These same constraints apply equally to High value SNAs. If the two-tiered classification system is retained notwithstanding the submissions of Auckland Council, Watercare and other infrastructure providers to the contrary, the opportunity for nationally significant infrastructure providers to apply for resource consents to locate their infrastructure in High value SNAs must be provided.

Medium value SNAs

- 6.9 As currently proposed, only "nationally significant infrastructure" can seek to locate in Medium value SNAs. The Draft NPS-IB defines "nationally significant infrastructure" as including (among other infrastructure) state highways, the national grid, major gas or oil pipeline services, airports and ports.⁶ No provision is made for water and wastewater infrastructure within this definition. This means as currently proposed, water and wastewater infrastructure is effectively prohibited under the Draft NPS-IB from seeking to locate in any SNA (regardless of its classification).
- 6.10 Watercare supports the identification of nationally significant infrastructure and the proposal to enable such infrastructure within Medium value SNAs. This infrastructure is critical to the well-being of communities and plays a fundamental role in enabling the safe and efficient functioning of urban areas. However, there is currently a fundamental gap in that the NPS-IB does not recognise any water and wastewater as "nationally significant infrastructure".
- 6.11 Watercare owns and operates water and wastewater infrastructure with national significance. This includes the Mangere, Rosedale and other WWTPs, water supply dams and reservoirs in the Hūnua and Waitākere Ranges, the Waikato River water take, Watercare's water and wastewater treatment plants, and bulk transmission lines and interceptors (and their associated transmission infrastructure such as pump stations).
- 6.12 Consistent with the rationale for the nationally significant infrastructure exception in Medium value SNAs set out in the Discussion Document, the operation of water and wastewater infrastructure is essential to the nation, as it is critical to the health and wellbeing of people. Without the continued operation of this infrastructure, safe water and wastewater services in Auckland and elsewhere in New Zealand cannot be ensured. Auckland is the largest city in the country and accounts for more than a third of New Zealand's population. The disruption of a water transmission pipe or wastewater interceptor in Auckland has the potential to affect more than a million people, given Auckland's topography and nature of its urban development.
- 6.13 In addition, critical water and wastewater infrastructure is often locationally constrained. For example, a water supply reservoir generally needs to be located within a river valley, so as to provide both a water source and land area for storage. River valleys in New Zealand generally contain indigenous biodiversity, and this biodiversity can be of significant value. This includes in valleys where there are already established water supply reservoirs like in the Hūnua and Waitākere Ranges.
- 6.14 This infrastructure also contributes significantly to broader Government goals. This includes the Government's freshwater quality improvement and climate change response agendas. In addition, enabling and supporting the provision of safe drinking water to all New Zealanders is the overarching goal of the Government's extensive three waters reform programme, which has arisen out of the Havelock North Drinking Water Inquiry. Watercare considers this goal and the new Water Services Regulator (Taumata Arowai) which is being proposed to ensure it is achieved, should not be significantly constrained by national direction instruments under the RMA like the Draft NPS-IB.
- 6.15 The Draft NPS-IB must be amended to include "bulk water and wastewater infrastructure" in the definition of "nationally significant infrastructure". This amendment is required to ensure

⁶ Draft NPS-IB at 1.8(1). The other "nationally significant infrastructure" includes national renewable electricity generation facilities that connect with the national grid, other than the facilities of existing hydro schemes; any railway (as defined in the Railways Act 2005); and rapid transit.

that territorial authorities and CCO's are appropriately directed to provide for and enable the development and operation of bulk water and wastewater infrastructure within SNAs.

7. INAPPROPRIATE RESTRICTIONS ON EXISTING WATER AND WASTEWATER INFRASTRUCTURE

7.1 Clause 3.12 of the Draft NPS-IB proposes a new regime for the management of existing activities within locations that are identified by territorial authorities as SNAs. In short, it is proposed that existing activities that are located within SNAs will be effectively "capped", in that they must not increase in character, intensity or scale from the date the NPS-IB comes into force. The Draft NPS-IB defines "existing activity" as activities that are "lawfully established" at the date the final NPS-IB commences, but excludes land uses covered by existing use rights under s10 RMA. Fully consented activities that have not yet commenced or have only been partially implemented appear to be excluded. Watercare assumes this is an unintended oversight. If it was intended to exclude fully consented but unimplemented or partially implemented activities, this would be fundamental change to the RMA's consenting framework whereby such activities are protected from subsequent policy statement or plan changes (until the consents for those activities may lapse). The "existing activity" definition in the draft NPS-IB therefore requires amendment to clarify that it also applies to consented activities, as set out below:

Existing activity in this National Policy Statement, means a subdivision, use or development that is:

a) lawfully established **or consented** at the commencement date;

7.2 In relation to clause 3.12 of the Draft NPS-IB, Watercare does not support an approach that will effectively prohibit existing, lawfully established water and wastewater infrastructure located in SNAs from future development. The significant locational constraints on water and wastewater infrastructure such as water supply reservoirs have been explained above. These and other water and wastewater infrastructure facilities are also long-term (100-years plus) assets. This means the ability to further develop and expand this infrastructure over its intended life is critical.

7.3 The proposed restrictions on existing water, wastewater and other infrastructure activities within SNAs also have the potential to result in poorer overall outcomes for indigenous biodiversity. There is a need for water and wastewater networks to continue develop and expand their capacity to meet population and economic growth, as well as changing technologies and community expectations – the NPS-IB cannot prevent that and indeed must provide for it.

7.4 However, by placing an effective cap on providing for that growth through the development of existing water and wastewater infrastructure located within SNAs, there will be a corresponding increased need to develop new infrastructure elsewhere at a potentially much faster rate than if existing facilities were able to expand their capacity and operations. The development of any new water and wastewater infrastructure (particularly bulk infrastructure) will have effects on indigenous biodiversity, and in some cases the level effects will be greater for a new infrastructure development than if an existing facility within an SNA were able to expand.

7.5 Watercare considers the Draft NPS-IB must be amended to strike a more appropriate balance between maintaining indigenous biodiversity within SNAs, while recognising and providing for the future development of existing water, wastewater and other infrastructure that is already established within an SNA. In particular, the effective "cap" on the level of effects an existing

activity can generate on indigenous biodiversity within SNA must be removed, so as to avoid the perverse potential consequences of encouraging development of new infrastructure outside SNAs even in circumstances where new development may have greater effects than expanding existing facilities.

8. RESTRICTIONS ON INFRASTRUCTURE DEVELOPMENT IN OTHER AREAS

8.1 Maintenance of indigenous biodiversity is very broadly defined in the Draft NPS-IB as requiring at least no reduction in (among other matters): the size of populations of indigenous species; the properties and function of ecosystems and habitats; and the full range and extent of ecosystems and habitats.⁷ Depending on the circumstances, "maintenance" of indigenous biodiversity may also require the restoration or enhancement of ecosystems and habitats.⁸

8.2 Objective 1 of the Draft NPS-IB is to "maintain" indigenous biodiversity. Draft Policy 7 relates to subdivision, use and development in areas outside SNAs and directs territorial authorities to:

Manage subdivision, use and development outside Significant Natural Areas as necessary to ensure indigenous biodiversity is maintained.

8.3 The result is that indigenous biodiversity must be maintained, in the manner defined in the Draft NPS-IB, in all areas including those that are not recognised as having indigenous biodiversity of any significant value (i.e. areas outside SNAs). Watercare is concerned at how this direction may be given effect to in local and regional planning documents. In particular, it could result in inappropriately restrictive or onerous consent requirements for water and wastewater infrastructure in areas of low value indigenous biodiversity. This is in addition to the effective moratorium that is currently proposed on new or expanded water and wastewater infrastructure in all SNAs (High and Medium) as described above.

8.4 The intention of Draft NPS-IB should not be to effectively seek to protect all indigenous biodiversity from potential adverse effects of development, regardless of its value. But that is the potential consequence of very broadly defining "maintenance" of indigenous biodiversity, combined with a policy framework that focusses almost solely (as set out in section 4 above) on directing territorial authorities to maintain indigenous biodiversity.

8.5 The Draft NPS-IB must be amended to provide a more nuanced definition of "maintenance" of indigenous biodiversity which reflects both the importance of indigenous biodiversity, and essential infrastructure. This is in addition to amending the policy framework as set out above to direct territorial authorities to provide for and enable the development of essential infrastructure, including water and wastewater infrastructure, outside SNAs.

8.6 These amendments will assist in ensuring aims of the Draft NPS-IB are achieved, without unnecessarily constraining the development of water, wastewater and other infrastructure in areas where biodiversity values are low. This is required to safeguard public health and enable social and economic well-being.

⁷ Draft NPS-IB at 1.7(3). The other elements of the definition of "maintenance of indigenous biodiversity include: indigenous species occupancy across their natural range; connectivity between and buffering around ecosystems; the resilience and adaptability of ecosystems.

⁸ Draft NPS-IB at 3.13 and 3.16.

9. ALIGNMENT WITH OTHER NATIONAL DIRECTION AND RMA REFORM

- 9.1 MfE is currently consulting on a wide range of proposals to reform New Zealand's resource management system. This includes sub-ordinate RMA documents relating to freshwater and air quality, amendments to the RMA itself, and the introduction of urban development legislation and powers.
- 9.2 Watercare has a significant interest in all of these reforms, as each will impact on our existing and future operations. From Watercare's perspective, it is crucial that these reforms are not developed in isolation. Each of these environment policy processes must be "joined up" in terms of how they provide for water, wastewater and other infrastructure, as well as other critical matters such as climate change. In particular, alignment between the Draft NPS-IB and other RMA reforms, the Government's urban development reform agenda, and future infrastructure provision is critical. There is a risk that high-quality future urban development and growth will not be delivered, if documents like the Draft NPS-IB impose significant restrictions on the ability of infrastructure providers like Watercare to deliver essential infrastructure.

10. NEXT STEPS

- 10.1 Watercare would appreciate the opportunity to engage further with MfE on the matters set out in this submission in finalising the NPS-IB.



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