Watercare Significance and Engagement Policy

August 2026

Watercare

Contents

About Watercare	**2**
Introduction	**3**
Purpose of the this policy	**3**
Specific considerations	**5**
a. Defining strategic water service assets	5
b. Determining significance of contracts	5
c. Decisions relating to significant joint water service provider arrangements	6
d. Determining whether a proposed service level change is significant	6
e. Water Services Strategy	6
Watercare's values and general engagement approach	**7**
Methods for engagement	7
Mana Whenua engagement	**10**
Applying the poilcy	**11**
Appendix 1: Key definitions	**12**

About Watercare

Watercare is New Zealand's largest water utility, supplying safe water to Auckland's communities and treating their wastewater. We provide water and wastewater services to 1.8 million people in the Auckland region. In Papakura, we provide bulk water and wastewater services to Veolia Water, which manages the community's local network and retail services. Our testing facilities, Watercare Laboratory Services, monitor and test drinking water and wastewater for over a third of New Zealand's population. We also carry out extensive work to upgrade and build infrastructure, so that we can maintain and improve levels of service and provide capacity for a fast-growing population.

Watercare is a substantive Council Controlled Organisation (CCO) with our shareholder being Auckland Council.

Introduction

The Local Government (Water Services) Act 2025 (the Act) requires us to develop and adopt a Significance and Engagement Policy. This will help to ensure that we engage appropriately with consumers, communities, iwi, key stakeholders and our shareholder, Auckland Council. Under the Act, Auckland Council is required to approve this Policy before we adopt it.

Purpose of this policy

This policy has been developed to meet the requirements of the Local Government (Water Services) Act 2025.

Its purpose is to set out Watercare's approach to assessing the significance of matters on which it makes decisions, and to broadly guide the engagement approach to be undertaken, proportionate to the significance of the issue.

It includes the following:

- Watercare's general approach to the significance (importance) of proposals, and decisions in relation to issues, water infrastructure and other matters
- the factors that Watercare will consider when determining the level of significance of proposals, issues, infrastructure, decisions and activities
- Watercare's general approach to engaging with stakeholders and partners, depending on the level of significance.

Auckland Council has its own Significance and Engagement Policy, made under the Local Government Act 2002. That Policy guides council's engagement on its own decisions. Determining significance.

Significance is a continuum ranging from very low degrees of significance (limited importance) to very high degrees of significance (very important or critical).

When assessing a matter's level of significance for these purposes, we may consider the following factors:

- the number of people affected, the degree to which they are affected and the likely impact of the proposal or decision (for example, disruption through construction)
- whether the type of matter is likely to generate wide public interest, including political interest
- the impact of the proposal or decision on Watercare's ability to;
  - meet regulatory obligations and perform statutory responsibilities
  - deliver on objectives in the Water Services Strategy
- the impact of the proposal or decision on intended service levels
- the degree to which the proposal or decision can be reversed should circumstances warrant
- Mana Whenua and cultural heritage - the extent to which a decision relates to land, a body of water or culturally significant sites and upholds the relationship of Māori with their culture and traditions, with their ancestral whenua (land), water bodies, wāhi tapu, valued flora and fauna and other taonga

- the financial impact of the proposed decision to both Watercare and its customers
- the consistency of the proposed decision with previously adopted and/or communicated decisions. For instance, a notable variation from the previously adopted pricing pathway or meaningful changes to what has been communicated in the Water Services Strategy.
- whether the proposal involves promoting behaviour change and acceptance in a population, particularly if benefits will not be realised without engagement and communications support.
- the extent of any environmental or public health impacts of the proposed decision (both upstream and downstream of any intervention).
- whether the proposal may have reputational implications for Watercare or the Auckland Council group, including in relation to social licence.

These criteria provide an indication of the matters that Watercare may consider when assessing significance. Ultimately, however, significance will be assessed on a case-by-case basis, taking into account the above factors and also the overall circumstances of the matter.

In general, we will not consult on changes to price, other than as required by law. This is because our pricing is regulated by the Commerce Commission.

Specific considerations

a. Defining strategic water services assets

The Act requires Watercare (or its shareholder, Auckland Council) to consult if it is considering transferring ownership or control, or receiving ownership or control, of a "strategic water services asset [1].

Broadly, under the Act, a "strategic water services asset" is defined as water infrastructure or assets that are necessary for Watercare to:

- Meet its regulatory requirements, or
- Maintain its capacity to achieve the outcomes set out in its Water Services Strategy.[2]

For the purposes of this definition, Watercare considers the following assets to be strategic water services assets:[3]

- Water supply networks
- Wastewater networks

In general, each network as a whole constitutes the "strategic asset", rather than the individual components or assets within it.

However, an asset or component within it may constitute a "strategic asset" if it is so integral to the operation of the network as a whole that without it, Watercare cannot meet its regulatory requirements or maintain its capacity to achieve the outcomes set out in its Water Services Strategy.

b. Determining significance of contracts

The Act places a range of obligations on Watercare in respect of "significant contracts" for the performance of any aspect of providing a water service on behalf of Watercare. This includes an obligation to consult the public, and to seek council approval. Watercare will use the factors set out on page 2 under "Determining significance" in determining whether a proposed contract for the performance of any aspect of providing a water service on behalf of Watercare is a "significant contract". Watercare will also consider the following criteria:

- whether the proposed contract is of high value relative to the revenue that Watercare receives from providing the water service to which the contract relates; and
- whether the proposed contract will create a public-private partnership; and
- all matters that are essential to Watercare's ability to meet its obligations under the Act in relation to the water service to which the contract relates;
- whether the total contract value is over $1 billion (in which case it will automatically be considered a "significant contract")

A contract will not be a "significant contract" where

- the proposal, or project to which the contract relates is contained within the approved Watercare Water Services Strategy.

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[1] LGWSA, s 28(1) and 31 – 32. There are some exceptions to this requirement, set out in s 28(2).

[2] Section 4 of the LGWSA defines a "strategic water services asset" as follows: "(a) means water services infrastructure or another asset or group of assets without which the provider is unable— (i) to meet its regulatory requirements; or (ii) to maintain its capacity to achieve the outcomes set out in its water services strategy; and (b) includes an asset or a group of assets listed as strategic water services assets in the provider's significance and engagement policy".

[3] "Strategic water services assets" are separate to "strategic assets" as defined under the Local Government Act 2002 and identified by Auckland Council in its Significance and Engagement Policy.

When a contract is determined to be significant, Watercare will undertake consultation in a manner consistent with statutory requirements as noted in sections 31-32 of the Act.

Consultation will consist of a formal submission process whereby those who are potentially impacted by, or interested in, the proposal may formally submit their feedback to present their views.

Any consultation on a significant contract would not include any matters that could impact on the ability of Watercare to conduct a competitive commercial tender process.

c. Decisions relating to significant joint water service provider arrangements

The Act places a range of obligations on Watercare in relation to "significant joint water service provider arrangements", including an obligation to consult the public, and to seek council approval.

Under the Act, a joint water service provider arrangement is defined as:

> *"an arrangement entered into by two or more water service providers for one or both of the following purposes:*
>
> – *providing water services or any aspect of water services in the providers' combined service areas:*
>
> – *providing for any matters relating to providing water services (for example, a shared service agreement for technical or administrative support)".*

Under the Act, this Policy must set out:

- Matters for determining whether a proposed joint water service provider arrangement is a "significant" one; and
- How Watercare will undertake engagement in relation to a proposed significant joint water service provider arrangement in a manner consistent with statutory requirements.

Watercare will determine whether a joint water service provider arrangement is significant utilising the factors listed on page 2 under the heading "Determining significance".

When a joint water service provider arrangement is determined to be significant, Watercare will undertake consultation in a manner consistent with statutory requirements as noted in sections 31-32 of the Act.

Consultation will consist of a formal submission process whereby those who are potentially impacted by, or interested in, may formally submit their feedback to present their views on the proposal.

d. Determining whether a proposed service level change is significant

Watercare will determine whether a proposed service level change is significant utilising the factors listed on page 2 under the heading "Determining significance".

When a proposed service level change is determined to be significant, Watercare will undertake consultation in a manner consistent with statutory requirements as noted in sections 31-32 of the Act.

Consultation will consist of a formal submission process whereby those who are potentially impacted by, or interested in, may formally submit their feedback to present their views on the proposal.

e. Water Services Strategy

Watercare will follow the direction of our shareholder, Auckland Council, in determining whether and how to consult on the Water Services Strategy, in accordance with the Act and this Policy.

Watercare's values and general engagement approach

Watercare has a set of values that guide our organisational way of working.

Watercare's engagement is about involving Aucklanders in making decisions on matters that affect them.

Where appropriate, knowledge we hold about people's views will inform decision-making, even where we do not consult (e.g. insights and feedback from previous interactions and engagements). This can include considering the extent to which the decision aligns with priorities that our stakeholders and partners have previously expressed.

Watercare proactively engages with elected members on significant matters to provide timely information, seek insights on community impacts and priorities, and ensure local and regional perspectives are considered as part of its decision-making process. This engagement complements, but does not replace, engagement with customers, communities, mana whenua and other stakeholders.

In general, the higher the significance of a proposal or decision the more likely it will be appropriate to engage with stakeholders and partners. Similarly, the higher the significance, the more intensive levels of engagement will likely be appropriate.

Watercare acknowledges that community engagement occurs across a continuum at differing levels and is broader than consultation.

Engagement is a process which may involve all or some of the community and can be focused on sharing information, building relationships, generating ideas, decision making, and/or problem solving. Watercare's engagement and methodology is informed by the Engagement Institute and is guided by its Engagement Framework for proposals or decisions at all levels of significance.

Where legislation prescribes a particular notification, engagement or consultation process (e.g. for access to private land), Watercare will follow that process.

Methods for engagement

Watercare will use a variety of methods in line with best practise as established by the Engagement Institute, taking on board over time views about preferred engagement methods of stakeholders and partners, whilst being responsive to the needs of specific stakeholder groups.

This table is a general guide only and is an indication of how engagement may be conducted in line with significance as evaluated via the factors above.

Where appropriate an Engagement Plan will be developed for each project or decision using the guidance provided in the Watercare Engagement Framework.

Type or nature of decision	Example method of how we might engage
Small and simple (Low significance) *For example:* Renewal of existing assets, expansion or development of assets with a hyper- localised impact: • infrastructure works affecting a limited area of impact i.e. a street within a suburb • watermain or sewer renewals and upgrades • pump station upgrades	Direct notification and information provision as appropriate may include: • Information flyers • door knocking • public notices • social media • newsletters • emails • the Watercare website
Medium significance *For example:* Expansion or development of assets with a localised impact such as: • long term infrastructure works affecting a defined significant area of impact i.e. works of more than 6 months on a main/arterial road • infrastructure works affecting one or more suburbs • new supporting assets like pump stations and reservoirs	In addition to the methods above, as appropriate further online and/or face-to-face engagement may include: • local events • webinars • targeted meetings • pop-ups/drop-in sessions
Large or complex (High significance) *For example:* Large scale / regional infrastructure or long-term planning and strategies such as: • infrastructure works affecting a wider region/multiple suburbs • infrastructure supporting servicing of a wider region • new major bulk infrastructure such as water and wastewater treatment plants • future additional water sources • Biosolids management strategy • Water Services Strategy[4]	In addition to the methods above, as appropriate further online and face-to-face engagement may include: • formal submission processes and surveys • community meetings/forums • deliberative panels • focus meetings • public workshops

[4] The Water Services Strategy is a long-term strategic planning document that is developed by Watercare. It sets out the direction for Watercare in the short, medium and long term, and includes planning for infrastructure investment, service levels, pricing, performance measures and financial forecasting.

Along with how significant the issue is, we may also consider the following when deciding whether engagement is needed, and what that engagement might look like:

- How much Watercare already knows about the views, preferences and priorities of stakeholders and partners on the issue (for example, from feedback received through earlier engagement).
- Whether the decision, or the situation it is being made in, allows Watercare enough flexibility to consider different options or take other people's views into account.

Mana Whenua engagement

While the level of significance may influence engagement requirements with Mana Whenua partners, this policy does not replace or supersede the guidance provided in Watercare's existing Mana Whenua engagement framework, and Watercare's Tāmaki Ora – Achieving Māori Outcomes Plan.

Beyond this, we are committed to meaningful and enduring partnerships with Mana Whenua, guided by the principles of Te Tiriti o Waitangi (Treaty of Waitangi). We recognise treaty obligations to Tangata Whenua under Te Tiriti (Treaty) and affirm their rangatiratanga (authority, leadership and self-determination) and role as kaitiaki (guardians and stewards). Decisions that may affect Treaty interests, the exercise of rangatiratanga, or the relationship of Māori to their ancestral lands, waters, wāhi tapu (sacred sites) and taonga (treasures) may be considered significant for the purposes of this policy.

Our approach is to engage early, openly and in good faith, working collaboratively to shape outcomes, particularly where proposals or decisions have the potential to impact culturally significant lands, waters, or other matters that Mana Whenua have expressed interest in. We prioritise building trusted relationships over time through our rangatira ki te rangatira approach, supporting Mana Whenua aspirations and enabling shared decision-making where appropriate.

Through this partnership approach, we ensure our work reflects mātauranga Māori, protects taonga and delivers sustainable outcomes that support intergenerational wellbeing. Where relevant, Watercare will also have regard to He Whenua Makaurau – Schedule of Issues of Significance, He Waka Kōtuia Te Tiriti audit recommendations, and Treaty settlements.

Nothing in this policy limits or replaces Watercare's obligations regarding Te Tiriti o Waitangi or under any other relevant legislation.

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Nothing in this policy limits or replaces Watercare's obligations regarding Te Tiriti o Waitangi or under any other relevant legislation.

Applying the policy

Watercare has a number of operational resources which support staff to implement this policy including:

- Watercare Engagement Framework provides more detailed guidance on engagement principles and best practice
- Watercare Mana Whenua Engagement Guidelines
- Watercare Tāmaki Ora – Achieving Māori Outcomes plan
- Templates and other related guidance

These operational resources are reviewed and amended on an ongoing basis to ensure that they remain up to date and reflect best practice.

Appendix 1: Key definitions

The following key definitions apply to commonly used terms in the policy.

Term	Definition
Engagement	Engagement is defined as a planned process with the purpose of working with stakeholders and partners to inform decisions, share knowledge and strengthen relationships. Engagement is a broad term which covers all types of engagement from communicating/informing through to consultation, involvement and co-design.
Consultation	Consultation is a specific engagement method which involves obtaining feedback on proposals. The terms consultation and engagement are not used interchangeably.
Stakeholder	The word stakeholder refers to individuals, groups or organisations with a stake or interest in the outcome of a decision. Stakeholders may also have the ability to influence the decision given their role or position. Stakeholder has been used as a collective term to include community, consumers, and other individuals or groups.
Partner	Mana Whenua and Iwi are referred to as partners.
Community	The term community refers to a group of people that has something in common such as identity, behaviours, interests or values. A community often share a sense of place in a given geographical area (e.g. a country, city, town, or neighbourhood) or in virtual space through communication platforms.
Consumer (Customer)	Consumer means a person who consumes, uses, is provided with, or benefits from the provision of, water services by Watercare – also known as a customer.
Shareholder	Auckland Council is the sole shareholder of Watercare. As shareholder, Auckland Council issues a Statement of Expectations to Watercare, and approves Watercare's Water Services Strategy. The council also has a legislative role of approving some other specific Watercare decisions, some of which are noted in this Policy.
Elected Members	Elected Members refers to Auckland Council elected members, including the Mayor, Governing Body members (Councillors) and Local Board members, who play a critical role in representing the interests and aspirations of Auckland communities.