

# DRAFT Watercare Significance and Engagement Policy

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## 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.

## Introduction

The [Local Government \(Water Services\) Act 2025](#) (the Act) requires us to develop and adopt a Significance and Engagement Policy<sup>1</sup>. This will help to ensure that decisions Watercare makes around water infrastructure, service delivery, and contracts are transparent, proportionate and well-informed. It also ensures we engage appropriately with consumers, communities, iwi and key stakeholders when decisions are significant.

Each year, Watercare is required to make a range of decisions in relation to its services. While not all decisions will be regarded as significant, an internal engagement framework provides guidance to the organisation on how and when to engage.

Decisions made by Watercare can have a range of impacts on consumers, communities, stakeholders and Mana Whenua partners (collectively, “stakeholders”). This policy recognises those impacts, particularly for significant matters, and ensures that those that are likely to be affected are informed and provided the opportunity to share their views or influence decision making as appropriate.

## Purpose of this policy

This policy has been developed to align with 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.

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<sup>1</sup> While Watercare is subject to the Local Government (Water Services) Act 2025, from time-to-time other legislation with engagement requirements will require Watercare to engage. This currently includes, but is not limited to, requirements under the Resource Management Act 1991 and relevant National Policy Statements, Public Works Act 1981 and aspects of the Local Government Act 2002.

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, depending on the level of significance and how their feedback will contribute to decision making.

### **Mana Whenua engagement**

While the level of significance may influence engagement requirements with Mana Whenua partners, this policy does not replace or supersede Watercare’s existing Mana Whenua engagement framework or Tāmaki Ora – Achieving Māori Outcomes Plan. Rather this policy sits alongside those frameworks.

Beyond this, we are committed to meaningful and enduring partnerships with Mana Whenua, guided by the principles of Te Tiriti o Waitangi. We recognise Tangata Whenua as Te Tiriti (Treaty) partners 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 and taonga 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 Māori outcomes. We prioritise building trusted relationships over time, 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 iwi and Mana Whenua identified Issues of Significance as identified by Houkura and relevant Treaty settlement or statutory frameworks when planning engagement on significant matters.





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

## Watercare’s values and engagement principles

The following principles describe Watercare’s commitment to how engagement will be undertaken, and what stakeholders can expect when participating in engagement with Watercare.

Watercare has a set of values that guide our way of working. To support these values, a set of engagement principles have been created to outline Watercare’s commitment to how these values will be enacted during engagement.

**Table 1 Watercare values and engagement principles**

Watercare values	Watercare engagement principles
 <p><b>Manaakitanga</b> We care</p>	<p><b>Genuine</b>– We are committed to authentic engagement, with a clear purpose and meaningful opportunities to participate.</p>
 <p><b>Kounga</b> We adapt and learn</p>	<p><b>Proactive</b>– We will take an early, proactive approach to engagement, using the right tools at the right time. <b>Adaptive</b> – We will learn from experience to continuously improve and adapt the way we engage to ensure it is accessible and inclusive.</p>
 <p><b>Pono</b> We do what we say</p>	<p><b>Consistent</b>– We will do what we say we are going to do and close the loop to ensure the community understands how feedback has been used. <b>Transparent</b>– We will be open and honest about what decisions can be influenced and why decisions have been made.</p>
 <p><b>Kotahitanga</b> We work together</p>	<p><b>Collaborative</b>– We will align our engagement efforts and approach to reduce engagement fatigue and support better decision-making across the organisation.</p>

## 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).

By guiding how Watercare will determine the level of significance for proposals and decisions, this Policy will support a consistent approach to engaging with stakeholders on things that are likely to impact them to a significant degree.

Watercare will follow a three-step approach to assess the level of significance if a decision is deemed to have stakeholder impacts and in line with any statutory requirements:

1. Determine the significance of the proposal or decision using the criteria in Table 2 Considerations for determining significance, and the additional relevant considerations for the Water Services Strategy, Contracts, Strategic Assets, and joint water service provider arrangements (as defined in [Appendix 1](#)).
2. Based on that determination, decide the level of engagement required for the proposal or decision; and
3. Utilise the Watercare Engagement Framework to develop an engagement plan that clearly articulates the level of influence over the decision and aligns with the guidelines outlined in [Table 3](#).

## Understanding impact and risk

Two key factors are relevant when assessing the level of significance of a proposal or decision – impact and risk. Examples are available in Table 2 below.

### Impact

Impact describes the potential effect of a proposal or decision on a number of elements outlined below:

- **Scale** – this considers the number of people, the geographic scale and/or the longevity of impact.
- **Financial** – this considers the level of financial consequence and whether it is consistent with prior decisions.
- **Consistency** – this considers the level of consistency 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.
- **Behaviour change** – this relates to any proposal or decision that requires behaviour change in a population, particularly if benefits will not be realised without engagement and communications support.

For infrastructure projects, additional elements may be considered, including:

- **Mana Whenua and cultural heritage** - the extent to which a decision relates land, body of water or culturally significant sites and upholds the relationship of Māori and their culture

and traditions, with their ancestral whenua (land), water bodies, wāhi tapu, valued flora and fauna and other taonga.

- **Environmental impacts** – this includes potential impacts to waterways, flora and fauna.
- **Level of disruption** – this includes disruption through construction as well as the cumulative impacts of multiple disruptions in a similar geographic area.

### Risk

The following elements are considered when assessing the potential risks associated with a proposal or decision:

- **Environmental** – This includes any potential risk of harm to the environment and water quality, both upstream and downstream from any intervention.
- **Regulatory** – this includes any risks that could lead to Watercare not meeting regulatory requirements or obligations.
- **Political** - this includes any risks caused by the politicisation of an issue or topic relevant to the proposal or decision and/or the level of political interest.
- **Financial** – this includes any financial risk to Watercare, its shareholder, or consumers.
- **Reputational** – this includes anything that could pose a risk to the reputation of Watercare or its shareholder, including social license.
- **Contextual/Historical** – this relates to any historical or contextual issues that will be impacted by the proposal or topic that could cause an impact to the effectiveness of the proposal or decision and any relevant engagement undertaken.
- **Public Health** – this relates to any potential risks to public health.

There may be occasions when Watercare may not follow this policy, for example where failure to make a decision urgently would result in unreasonable or significant damage to property, risk to people's health and safety, or the loss of a substantial opportunity to achieve Watercare's strategic objectives.

## Levels of significance

The below table outlines the considerations for Watercare when evaluating the significance of a proposal or decision which will have impacts on stakeholders. High significance is determined when more than one factor in each of Impact and Risk is considered to be high.

Table 2. Considerations for determining significance

	LOW SIGNIFICANCE	MEDIUM SIGNIFICANCE	HIGH SIGNIFICANCE
IMPACT	<p>Proposal or decision has minimal or highly localised impact and disruption (e.g. single street or household, short term). Proposal or decision has no or minimal environmental, financial or cultural heritage impact. No permanent behaviour change is required, and limited access requirements that do not require acquisition.</p>	<p>Proposal or decision will have a local impact (suburb) in the short to medium term. Proposal may have some temporary environmental impacts that is contained to the local area. The proposal may require temporary changes to access to properties or businesses during construction.</p>	<p>Proposal or decision will have a regional or city-wide impact that is medium to long term. Includes proposals or decisions that require changes to access to properties or businesses (during construction or permanently). Includes financial impacts to Watercare that may impact pricing for consumers. Includes permanent or significant impacts to environmental or cultural heritage values. Some level of permanent or temporary behaviour change required.</p>
RISK	<p>Proposal or decision has low risk profile. Minimal risk of outrage or media attention. No contextual or historical issues to consider. Regulatory requirements are clear and/or simple. Limited to no risk to public health, water quality and the environment.</p>	<p>Proposal or decision has low to medium risk profile. Political or media attention likely at a hyper-local level (e.g. Local Boards). Some temporary localised risks to health or the environment.</p>	<p>Proposal or decision is high profile and medium to high level of risk. Potential for political or media attention or currently receiving media or political attention at a city-wide, regional or national level. Previous engagement history or cumulative impacts could negatively impact community or consumer sentiment. Risk to environment, water quality or public health.</p>

## Engagement

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 guided by its Engagement Framework for proposals or decisions at all levels of significance.

In general, the higher the significance of a proposal or decision the more likely it will be appropriate to engage with stakeholders. Similarly, the higher the significance, the more intensive levels of engagement will be appropriate. The principles included in table 2 above guide how Watercare will undertake.

Table 3 below outlines the relevant engagement level for each level of significance, including:

- **The engagement approach** – what the engagement approach will generally look like.
- **The level of influence in decision making** – when we will engage with the community and the level of influence they will generally to have over a decision<sup>2</sup>.
- **Relevant methods and tools** – what methods might be used.
- **Examples of decisions of this significance level** – what kinds of projects and decisions.

This table is a general guide only, and an Engagement Plan will be developed for each project or decision using the guidance provided in the Watercare Engagement Framework.

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 and preferences of stakeholders 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.

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, whilst being responsive to the needs of specific stakeholder groups.

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<sup>2</sup> While this policy outlines the expectations of what will typically occur at each level of significance, the level of influence for each proposal or decision will be individually determined through the engagement planning process, as outlined in the Engagement Framework.

Table 3. Indicative engagement level and significance

	<b>LOW SIGNIFICANCE</b>	<b>MEDIUM SIGNIFICANCE</b>	<b>HIGH SIGNIFICANCE</b>
<b>ENGAGEMENT APPROACH</b>	Watercare will provide stakeholders with timely, relevant and objective information about the issue or project to help them understand it's potential impacts.	Watercare will provide stakeholders with timely, relevant and objective information and provide opportunities for stakeholders to share their thoughts.	Watercare will collaboratively engage with stakeholders to understand issues, needs, concerns and perspectives to ensure they are considered during decision making.
<b>INFLUENCE IN DECISION MAKING</b>	<p>This engagement will typically occur after a decision has been made to inform stakeholder of the outcomes of that decision making process and to ensure impacts are well communicated.</p> <p>Stakeholders are not able to influence decisions.</p>	<p>This engagement will typically occur once a draft proposal or plan is available, to allow for questions and feedback.</p> <p>Stakeholders may not be able to influence the overall decision but may be able to provide feedback on specific components where relevant which we will take into account.</p>	<p>This engagement will typically occur early in the decision-making process, to allow the community to help identify or prioritise options.</p> <p>Stakeholder feedback is considered as part of the decision-making process.</p>
<b>RELEVANT METHODS AND TOOLS</b>	<p>Direct notification and information provision via:</p> <ul style="list-style-type: none"> <li>• information flyers</li> <li>• door knocking</li> <li>• public notices</li> <li>• social media</li> <li>• newsletters</li> <li>• emails</li> <li>• the Watercare website.</li> </ul>	<p>In addition to the methods used in low significance, online and/or face to face engagement such as:</p> <ul style="list-style-type: none"> <li>• surveys and other written feedback</li> <li>• webinars</li> <li>• targeted meetings</li> <li>• public workshops</li> <li>• pop-ups/drop-in sessions</li> </ul>	<p>In addition to the methods used in medium significance, online and face to face engagement such as:</p> <ul style="list-style-type: none"> <li>• formal submission processes and surveys</li> <li>• community meetings / forums</li> <li>• deliberative panels</li> <li>• focus groups</li> <li>• public workshops.</li> </ul>

<b>EXAMPLE PROPOSALS OR DECISIONS</b>	<p>Renewal of existing assets, expansion or development of assets with a hyper-localised impact:</p> <ul style="list-style-type: none"> <li>• works affecting a limited area of impact i.e. a street within a suburb</li> <li>• sewer renewals and upgrades</li> <li>• pump station upgrades</li> </ul>	<p>Expansion or development of assets with a localised impact such as:</p> <ul style="list-style-type: none"> <li>• works affecting a defined area of impact i.e. a main/arterial road</li> <li>• works affecting one or more suburbs</li> <li>• new supporting assets like pump stations and reservoirs.</li> </ul>	<p>Large scale / regional infrastructure or long-term planning and strategies such as:</p> <ul style="list-style-type: none"> <li>• works affecting a wider region/multiple suburbs</li> <li>• infrastructure supporting servicing of a wider region</li> <li>• new major bulk infrastructure such as water and wastewater treatment plants</li> <li>• Changes to level of service provision</li> <li>• Pricing and the price quality pathway</li> <li>• Future additional water sources</li> <li>• Biosolids management strategy</li> <li>• Water Services Strategy<sup>3</sup></li> </ul>
<b>LEVEL OF SERVICE CHANGE</b>	Decision has little effect on levels of service, or resourcing requirements.	Moderate effect or temporary impact on level of service outlined in Water Services Strategy.	Large, permanent change to level of service from that outlined in Water Services Strategy.

<sup>3</sup> 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. For the Water Services Strategy, our shareholder, Auckland Council, will direct the engagement requirements and if they will lead the engagement.

## Appendix 1: Additional 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”.

Under the Act, a strategic water services asset refers to water infrastructure or other key assets that are essential for Watercare to operate effectively. These are assets that Watercare relies on to:

- Meet its legal and regulatory obligations, or
- Maintain its ability to deliver the outcomes set out in its water services strategy.

For the purposes of this definition, Watercare considers the following assets to be strategic water services assets<sup>4</sup>:

- Drinking water networks
- Drinking water treatment plants
- Wastewater networks
- Wastewater treatment plants

Where assets operate as part of a water services network, the network as a whole constitutes the strategic asset, rather than each individual asset or component.

### b. Determining significance of contracts

The Act places a range of obligations on Watercare in respect of significant contracts.

For these purposes, the following criteria (in addition to those in Table 2) will determine whether a proposed contract is a significant contract:

- 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 LGSWA in relation to the water service to which the contract relates; and
- whether Watercare has previously engaged on the issue or project which requires entering into a contract,

Watercare will not usually consult on significant contracts where:

- The matter, proposal, or project to which the contract relates has already been consulted on and approved by Watercare (for example, through the Water Services Strategy); and

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<sup>4</sup> Strategic water services assets are separate to strategic assets as identified by Auckland Council in their Significance and Engagement Policy definition under the Local Government Act 2002.

- The scale or outcome of the matter, proposal, or project covered by the contract has not materially changed from what was previously consulted on.

In these situations, Watercare will instead inform the community that the contract has been awarded and outline the key terms of the contract.

Where a proposed significant contract relates to a matter, proposal, or project that has not previously been consulted on, Watercare will consult on the proposed contract in line with Table 3.

### **c. Decisions relating to joint water service provider arrangements**

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)”.*

Watercare will determine whether joint water service provider arrangement is significant utilising the factors in Table 2.

Watercare will undertake engagement in relation to a proposed significant joint water service provider arrangement in line with the guidance in Table 3.

### **d. Determining whether a proposed service level change is significant**

Watercare will determine whether a proposed service level change is significant utilising the factors in Table 2.

Watercare will undertake engagement in relation to a proposed service level change in line with the guidance in Table 3.

### **e. Water services strategy**

Watercare will follow the direction of our shareholder, Auckland Council, in consulting on the water services strategy.

Where Watercare is directed to lead consultation on the water services strategy, it will be in line with the guidance in Table 3.

When consulting on its draft Water Services Strategy, Watercare will apply the guidance in this policy to specifically seek feedback on:

- any proposal to transfer ownership or control of a strategic water services asset from Watercare to another party
- any proposal to transfer ownership or control of a strategic water services asset to Watercare from another party; and/or
- any proposal to significantly change levels of service provided by Watercare.

## Appendix 2: Key definitions

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

TERM	DEFINITION
<b>ENGAGEMENT</b>	Engagement is defined as a planned process with the purpose of working with stakeholders to inform decisions, share knowledge and strengthen relationships.
<b>CONSULTATION</b>	Consultation is a specific engagement method which involves obtaining feedback on proposals. The terms consultation and engagement are not used interchangeably.
<b>STAKEHOLDER</b>	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. While mana whenua are considered partners, for the purpose of this policy, stakeholder has been used as a collective term to include community, consumers, mana whenua partners and other individuals or groups.
<b>COMMUNITY</b>	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.
<b>CONSUMER (CUSTOMER)</b>	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.