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Environment Committee
Parliament Buildings
Wellington
Via email en@parliament.govt.nz

Tēnā koutou katoa

Fast-track Approvals Bill submission.

Water New Zealand (Water NZ) welcomes the opportunity to submit on the Government's fast-track approvals (FTA) legislation.

Water NZ is a national not-for-profit organisation which promotes the sustainable management and development of New Zealand's three waters (drinking water, wastewater and stormwater). Water NZ is the country's largest water industry body, providing leadership and support in the water sector through advocacy, collaboration and professional development. Its ~3,200 members are drawn from all areas of the water management industry including regional councils and territorial authorities, consultants, suppliers, government agencies, academia and scientists.

Given our members' interests, our submission focuses on water and drainage service provision. Water NZ notes that many of our members will be making their own submissions raising issues specific to their areas of interest.

Water NZ's members are directly affected by a resource management consenting - as an operator needing to obtain resource consents, and also as three water services provided support and enable other applicants activities.

Executive Summary

We appreciate the need for streamlined approach to consenting. The Bill's purpose is focused; to provide a streamlined decision-making process to facilitate the delivery of infrastructure and development projects with significant regional or national benefits.

The desire to fast-track consents, must not lead to unintended consequences and outcomes which see a worsening of the environment. Focusing on the water environment, there are risks of fast tracked water consents leading to further aquatic degradation or cumulative negative impacts on fresh and coastal waters.

There is no national standard for setting environmental performance of wastewater networks or stormwater networks. Under the Water Services Act 2021, Taumata Arowai can set wastewater performance standards and targets¹, and stormwater performance standards and targets which Regional Councils would then adopt, monitor compliance and enforce. This framework provides a potential mechanism for offsetting risks on unintended consequences as they relate to wastewater and stormwater.

We have a number of other suggestions to improve the Bill. These primarily relate to eligibility criteria and ensuring three water infrastructure are given regard in the application and assessment of projects for listing.

Contextual comments

The following comments are contextual in nature:

- Access to safe water, sanitation and hygiene is the most basic human need for health and well-being.
- Like many parts of the world, Aotearoa New Zealand's waterways are under pressure from anthropogenic impacts that will be amplified by the effects of climate change.
- New Zealand has a significant water infrastructure deficit. Significant investment is needed, without it, three waters service delivery and environmental outcomes will continue to decline.
- Spatial planning and the funding of public infrastructure provision and land development is important. Three waters major capital works are often linked to housing development and industrial growth, supports our primary and tourism industries, and underpins safe and healthy communities and environments.
- Aotearoa New Zealand's rivers, lakes, harbours, and marine spaces provide for recreation and wellbeing, support our primary and tourism industries, and allows us to gather kai. However, our waterways are under pressure from anthropogenic impacts for example, the taking, using, damming, or diverting of water and the discharge of contaminants or water into water.
- Contamination of waterways, aquatic life killed by pollution, news of discharges of untreated sewage into waterways is reputationally damaging- to a country, for the waterbody and the business involved. Recently the River Thames, England was shown to

¹ This power came into force in October 2023.

have high (2,869 E coli/100ml) levels of E coli in the Oxford-Cambridge Boat Race². The Environment Agency's water quality standards is < 1,000 CFU per 100ml. E coli bacterium, which is found in faeces, at these high levels can only come from sewage. Oxford's rowing coach called it a "national disgrace".

- Many freshwater waterbodies across Aotearoa New Zealand, are degraded and have been for some time. 47% of wastewater treatment plants discharge to freshwater. Many wastewater treatment plants are currently near full operational capacity. During wet weather events, or failures in a network, sewer overflows can occur, resulting potential environmental or human health risk – and reputational damage.
- Currently the availability, capacity and performance of many drinking water and wastewater treatment plants and associated networks do not have ability to support the potential greenfield expansion, urban infill or industrial growth. Fast-track approvals for housing and or industrial development will impact treatment capacity, and performance.
- There are 321 WWTPs across Aotearoa New Zealand. More than half of the wastewater treatment plants in the country needed to be reconsented before 2030, at an estimated cost of \$100 million³. This excludes any additional capex required to meet higher environmental compliance standards. Almost a quarter, or 73 plants, are currently operating on expired consents, with the average time operating on an expired consent being four years. A number of (110) wastewater plants and networks are operating on soon-to-be expired consents.
- Many stormwater discharges across the country are not subject to resource consents. This means that the environmental consequences of those discharges are not being addressed, and risks further negative aquatic outcomes. Further, New Zealand's stormwater systems have been designed for the climate "we used to have", and are likely to struggle with more frequent and intense storms.

Water services must be considered for -and during- fast track approvals

To protect our clean, pure, green reputation, and deliver environmental improvements, any approvals criteria must pragmatically and prudently balance the protection of the water environment, affordability, achievability, while at the same time not imposing unreasonable barriers to development.

² An average of 2,869 *E coli* colony forming units (CFU) per 100ml of water in 16 tests were recorded around Hammersmith Bridge

³ [GHD-Boffa Miskell report - National stocktake of municipal wastewater treatment plants - December 2019](#)

The establishment of wastewater and stormwater performance standards and targets under the Water Services Act will assist in reducing barriers to development by providing the framework for the consenting authorities to use.

We **request** the establishment of wastewater and stormwater standards and targets is a pre-requisite for wastewater and stormwater projects to be eligible for fast-track consenting processes.

We **request** the capacity of water supply, drainage, flood control, or sewerage networks to support development are added as a consideration in the clause 17 (3) eligibility criteria.

Water NZ **recommend** re-consenting for large water infrastructure is included in the list of eligible projects in the Bill, subject to earlier pre-requisites.

Water NZ **submit** three waters projects should be eligible for the fast-track process subject to earlier pre-requisites.

Nationally, regionally and locally significant infrastructure definitions

Purpose of the Bill is to facilitate the delivery of infrastructure and development projects with significant regional or national benefits. Unlike other utility sectors, there are no national water or drainage networks.

Water supply, drainage, flood control, or sewerage networks are generally recognised, in regional and district plans, as significant. The RMA and National Policy Statement for Urban Development, however, do not include them as nationally significant infrastructure.

We **request** capital work for water supply, drainage, flood control, or sewerage network [listed in Local Water Done Well Water Service Delivery Plans] is considered as having national or regional significance. We submit these works be added to the clause 17 eligibility criteria for projects to be listed in the Bill.

Nationally agreed engineering standards must be used to regulate the design and construction of three water infrastructure. The Department of Internal Affairs commissioned the standardisation of the current 45 Codes of Practice in existence across Aotearoa New Zealand in 2022-23. The National Engineering Design Standards (NEDS) represent significant value and efficiency gains to the water sector. It is important the work to date is leveraged upon. The NEDS must be retained, completed and used. We **submit** the fast-track consenting processes, eligibility and decision making include use of the National Engineering Design Standards. Proposals that do not meet nationally approved engineering standards should not be eligible for fast-tracking.

The integration of land use planning and capital investment planning

In Water NZ's view, a requirement for integrated planning of public infrastructure provision and land development would provide sequence and certainty to network infrastructure construction and funding. Without it, fast-tracked projects (including much needed housing developments) could happen out of sequence with essential utilities such as wastewater disposal, and internet access and, in the case of flood protection infrastructure, expose communities are to unacceptable risk.

Further, we **recommend** integrated spatial planning, at a catchment level, should be adopted. Spatial planning will identify areas where development or significant change in use needs to be avoided or carefully managed because of infrastructure and natural resource limitations.

There are interdependencies between critical infrastructure

One important aspect missing in the Bill is taking any account of the interconnectedness and interdependencies of infrastructure services.

The provision of three water services, has dependencies and interdependencies within and between other critical infrastructure providers ability to operate. As we saw during Cyclone Gabrielle, flooding, subsidence, fallen trees and downed power lines left utilities and people without power, communications and access, leading to extreme isolation and vulnerability. Washout of the roading network affected transporting material and responders into an area. Power outages resulted in no communication to many areas and telemetry systems inoperable for some.

The FTA process must ensure future-proofed decision-making and resilient infrastructure.

Water NZ **recommend** risks to infrastructure and resilience of service provision should be considered and provided for in the design of the fast-track process and inform eligibility and approvals decision making.

Avoid new development of all types of infrastructure in high-risk areas

The 2019 National Climate Change Risk Assessment identified potable water supplies availability and quality as the number one of the top 10 priority risks. The risk to wastewater and stormwater systems (and levels of service) was also within the NCCRA top 10 priorities.

Climate change is increasing frequency and intensity of storm events. Along with growth and intensification of our urban environment, the risk of flooding is increasing. The 2023 flooding

and storm events have illustrated the need to stop building and intensifying in high natural hazard risk areas.

We are heartened to see Clause 14 (3) (v) description of whether and how the project would be affected by climate change and natural hazards as a matter for consideration of a project.

However, there is no requirement for referred projects to demonstrate consistency with New Zealand's emissions reductions targets, as specified in the Climate Change Response Act 2002 and Emissions Reduction Plan. We **recommend** fast track projects must demonstrate consistency with NZ's emission reduction targets.

Strengthen eligibility criteria for projects

The Bill does not have a definition for significant regional or national benefits but Clause 17 does provide some examples of what the Ministers may consider when determining this.

Water NZ support the inclusion of the following in Clause 17(3)-

- (a) has been identified in a central government, local government, or sector plan ... spatial strategy:
- (g) will support climate change mitigation, including the reduction or removal of greenhouse gas emissions:
- (h) will support adaptation, resilience, and recovery from natural hazards:
- (i) will address significant environmental issues:
- (j) is consistent with local or regional planning documents, including spatial strategies.

However, we suggest strengthening the wording as follows

17 (3) In considering under subsection (2)(d) whether the project would have significant regional or national benefits, the joint Ministers ~~may~~ **must** consider whether the project...

Prioritise environmental capacity to support development and growth

The FTA approach is for weighted consideration of matters, where the most weight is given to the purpose of the Bill (delivery of development and infrastructure). The risk is approval of projects that prioritise economic growth over the water environment's ability to sustainably support development and growth.

Water NZ **request** that the following matters are given weight when the Ministers are considering a projects eligibility and or comments from other Ministers, local government, and Māori:

- The ability to supply human drinking water, its sources, protection, allocation and efficient use, need consideration now and in the future and to new (community or industrial) developments. We suggest 'insufficient source water' as a grounds for rejection for an FTA otherwise towns and cities may risk repeated water shortages of human drinking water, sources, protection, allocation and efficient use need consideration though any RMA process. We support work that addresses over-allocation.
- Availability, capacity and performance of wastewater treatment plants and networks to service new developments. We suggest 'insufficient wastewater network capacity' as a grounds for rejection for an FTA. This is imperative in catchments where there are currently many wet weather wastewater overflows and non-compliant wastewater treatment plants.
- National guidance on the identification of natural hazard risk. There should be a requirement to have regard to national climate change risk assessments prepared under the Climate Change Response Act 2002. We must avoid building or intensifying infrastructure provision in high hazard risk areas, for example, flood plains and coastal fringes.
- Nature-based solutions are preferred over hard-engineering solutions in providing natural hazard mitigation such as making room for rivers, prescribing water sensitive urban design (WSUD) and protecting streams and wetlands.
- The impacts on river and catchment dynamics from new dams, in catchment storage, water takes or gravel extraction and the impacts downstream to ecology, water availability and flooding risk.
- The cumulative effects of land use activities. These are one of the most urgent and complex problems, for example wastewater overflows, gross pollutants (litter and floatables) heavy metals, nitrates and sediment run off, run off volumes, water takes. Planned and potential future development, without an integrated management framework, has the potential to hasten the current degraded water environment.
- Recognition that freshwater quality depends mainly on the dominant land use in a catchment. Integration of drinking water, wastewater and stormwater asset management

with urban development planning on a catchment basis for economic and environmental water quality outcomes is needed.

- Mātauranga, connection and knowledge of the tāngata whenua have insights that integrate cultural, environmental, and social decision.

How the FTA system is resourced will be critical

Implementing the FTA system poses significant resourcing and capacity challenges on all infrastructure sectors involved. There are real questions about the capacity of the system to deal with the influx of applications.

Water NZ are concerned within the water- and wider infrastructure and engineering- sectors, there is insufficient capacity capability and availability for each expert panel for each project.

Our members see there is risk that the lack of specific water sector knowledge and relevant technical expertise skills, when making decisions about which projects enter the fast-track process, the Minister may overlook water projects, due to the lack of sector capacity.

It is imperative that Central Government consideration is given to training and recruiting enough resource for each project panel for fast-tracking to occur in the timely manner envisaged.

Similarly, while the Bill allows for a number of projects to be fast-tracked it will be important that the suppliers of required equipment, plant and services are able to deliver these in a timely manner. This includes aggregate availability, cleanfill disposal as well as machinery or equipment sourced from overseas.

The fast-track process could strain relationships with mana whenua

Water services providers value partnership and significant engagement with iwi, hapu and mana whenua. These relationships need constant attention. The sector has built cultural competency respecting mātauranga Māori and taking a wider perspective.

Water NZ are pleased to see clause 16 consultation requirements, specifically with relevant iwi, hapū, and Treaty settlement entities that must be undertaken before an applicant lodges a referral application. Further, the expert panel must, collectively, have an understanding of te Tiriti o Waitangi/the Treaty of Waitangi and its principles; and an understanding of tikanga Māori and mātauranga Māori.

Government must provide funding to ensure iwi/hapū can participate in the new system, particularly given its role as the Treaty partner. This includes supporting tāngata whenua to build the necessary capability and capacity to support expert panels.

Transparency in decision-making of Ministers

Panel recommendations are not binding, and final decisions are made by the joint Ministers. Joint Ministers can grant approvals that Panels have recommended should be declined and can remove conditions that Panels recommended should be imposed. For example, a condition of consent that will protect the environment, or a restriction in a source water protection zone, or prohibition in a water conservation order, or can be overridden by the joint Ministers.

Ministers should be required to advise, not only the promoters of projects, but the general public, as to why projects have failed to be referred to the Expert Panel.

It is **recommended** that the reasons for not accepting any or all of the recommendations of the Expert Panel should again be made public to ensure transparency in decision-making.

The Bill should provide for decisions to be made by an Expert Panel rather than joint Ministers.

If Ministerial decision-making is to be retained, we **suggest** that appropriate Ministers have decision-making power. Consideration must be given to including the Minister for the Environment within the Joint Ministers decision-making process to provide for all factors of economic interests and environmental values, including difficult trade-offs, are considered appropriately. This would also include, where relevant, the Minister for Climate Change, the Minister of Conservation and Minister of Oceans and Fisheries.

Conclusion

Growth and a healthy environment are not mutually exclusive. However, the two do pose complex resource and land use planning challenges. Ensuring that environmental values are met, and infrastructure and housing provision continues in an efficient, effective and sustainable way is paramount.

Water NZ **submit** that three waters projects be eligible for the fast-track process, subject to the pre-requisite that wastewater and stormwater performance standards and targets are developed. Further, the health of the water environment and the capacity of water supply, drainage, flood control, or sewerage networks to support development must be considerations for any projects eligibility.

Water NZ recommends that a more holistic approach is taken, across all reforms and other programmes, to broader infrastructure planning and regulatory frameworks to ensure consistency, efficiency and ultimately good environmental and economic outcomes while ensuring communities have safe delivery of essential services.

Water NZ thank the Environment Committee for the opportunity to provide comments and suggestions to develop fast-track consenting legislation.

We look forward to continuing to work with the Government to refine and contribute to resource management reform policy, regulation and delivery.

If you have any queries in relation to this submission please contact Nicci.Wood@waternz.org.nz

Ngā mihi nui

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