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The Commerce Commission
PO Box 2351
Wellington 6140
New Zealand
By email: infrastructure.regulation@comcom.govt.nz

Tēnā koutou

Disclosure of Auckland Council small water and wastewater services as a minor aspect supplier

Auckland Council writes in its capacity as a territorial authority and water service provider to disclose and explain why the small water supply and wastewater services currently operated by Auckland Council's Healthy Waters and Flood Resilience Department should be considered only a "minor aspect" of water services for Auckland. This is in accordance with section 219(2) of the Local Government (Water Services) Act 2025 (the Act). The information is provided in accordance with the Water Services Information Disclosure Determination 2026.

1. Description of the small water and wastewater services

Auckland Council manages a limited number of small, standalone water supply systems and onsite wastewater treatment systems across the region. The number and distribution of the assets is appended to this letter.

In summary, these services:

- serve council-owned public buildings and facilities, including public toilets, community halls, rural service facilities, and council-operated campgrounds
- are typically located in rural or remote areas, including regional parks, where connection to the metropolitan networks is neither practical nor efficient
- are supplied by local sources such as roof rainwater collection, small bores, or surface water intakes
- use onsite wastewater treatment and disposal systems, such as package treatment plants or septic systems; and
- are not connected to Auckland's metropolitan water supply or wastewater networks.

The operation and maintenance of these systems is undertaken by Auckland Council's Healthy Waters and Flood Resilience Department, rather than Auckland's water organisation, Watercare Services Limited.

By contrast, water services provided by Watercare, which operates region-wide, reticulated water supply and wastewater networks, serve approximately 1.7 million residents and businesses. Watercare manages large-scale treatment plants, reservoirs, trunk infrastructure, and network assets, and provides water and wastewater services directly to private users across metropolitan Auckland.

The small water and wastewater systems operated by Auckland Council are operationally separate, highly localised, and limited in number, and exist solely to support individual public

facilities. In terms of scale, customer reach, asset value, and operational complexity, they represent only a very small fraction of the total water services provided within Auckland.

2. Application of Section 219 of the Act

2.1 Responsibility of territorial authorities

Under section 219(1)(a), a territorial authority is responsible for preparing accountability documents only in relation to the water services it provides.

Section 219(2), however, provides a specific and deliberate exemption where a territorial authority is responsible for only a minor aspect of a water service, provided that:

- the service is not connected to a water supply, wastewater, or stormwater network provided by another water service provider; and
- the service is minor in nature.

The small water and wastewater services operated by Auckland Council clearly fall within this provision.

2.2 Minor aspect assessment

The services meet the “minor aspect” test in the following ways:

- **Limited scope and scale**

The services exist solely to support the operation of individual public facilities and do not supply water services to the wider public or to private property.

- **Standalone and non-networked**

These systems are not connected to Watercare’s water supply or wastewater networks, satisfying the network separation requirement in section 219(2).

- **Public-good function**

The services support public amenities (e.g., public toilets in regional parks) and do not operate as commercial utilities.

- **Rates-funded**

All costs associated with these systems are funded through general rates, not through water service charges, reinforcing their ancillary nature.

Legislative intent alignment

Section 219(3) explicitly lists as examples of “minor aspects”:

- wastewater services for community facilities not connected to a wastewater network; and
- water supplies for a small number of users not connected to a water supply network.

The small water and wastewater systems operated by Auckland Council align directly with these statutory examples.

3. Conclusion

Auckland Council submits that the small water and wastewater services operated by its Healthy Waters and Flood Resilience Department constitute only a minor aspect of water services in Auckland under section 219 of the Local Government (Water Services) Act 2025.

This is due to their limited scale, standalone nature, public-good purpose, and alignment with the statutory examples of minor services.

This information is disclosed by Auckland Council as a minor aspect supplier under clause 4.11 of the Determination.

We trust this explanation assists the Commission's understanding of Auckland Council's minor service arrangements. We are happy to provide further information if required.

Nāku noa, nā

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Phil Wilson
Chief Executive

Addendum: Executive Summary

Auckland Council manages a number of small water supply system and onsite wastewater treatment systems across the region that serve rural community facilities, such as public toilets, community halls and council-owned campgrounds.

The water sources for these supplies include roof water, bore water and surface water from streams.

The operation and maintenance of these systems is managed by the council's Healthy Waters and Flood Resilience department rather than Watercare Services Limited, as they are standalone systems for community facilities that are not connected to the regional water supply or wastewater network.

Figure 1: Quantity of various small water and wastewater assets maintained Auckland Council in each sub region and combined

