BEFORE THE INDEPENDENT HEARINGS PANEL

UNDER	the Resource Management Act 1991 (RMA)
IN THE MATTER	of the Far North Proposed District Plan - Hearing 15D: Rezoning Kerikeri-Waipapa

STATEMENT OF REBUTTAL EVIDENCE OF JOHAN PETRUS EHLERS ON BEHALF OF KIWI FRESH ORANGE COMPANY LIMITED

INFRASTRUCTURE

24 September 2025

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INTRODUCTION

1 My full name is Johannes Petrus Ehlers.

2 I have been engaged by Kiwi Fresh Orange Company Limited (**KFO**) to provide independent expert advice on the Proposed Far North District Plan (**FNPDP**).

3 This rebuttal evidence relates to the Council's section 42A report insofar as it relates infrastructure and the evidence of Mr McDonald and Mr Hensley.

QUALIFICATIONS AND EXPERIENCE

4 I confirm I have the qualifications and experience set out at paragraphs 3 - 5 of my evidence in chief dated 16 June 2025 (**Evidence in Chief)**.

CODE OF CONDUCT

5 I repeat the confirmation provided in my Evidence in Chief that I have read and agree to comply with the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023. This evidence has been prepared in accordance with that Code. I confirm that the issues addressed in this rebuttal evidence are within my area of expertise, and I have not omitted to consider material facts that might alter or detract from the opinions that I express.

SCOPE OF EVIDENCE

6 My evidence will cover responses to the points regarding infrastructure provision raised by Mr Hensley:

(a) Wastewater;

(b) Water supply; and

(c) Flood risk.

7 In addition to the material that I considered, reviewed, took into account and relied on in my Evidence in Chief, in preparing this evidence, I have reviewed:

(a) Far North District Council's Long-Term Plans for 2024-2027 and 2021-2031 and Infrastructure Strategies;

(b) Statement of Evidence of Victor George Hensley; and

(c) Statement of Evidence of Kenneth McDonald.

SUMMARY OF EVIDENCE

8 The two main upgrade options for Kerikeri's wastewater system are described in the Beca 3-waters Technical Memorandum (**Beca Technical Memorandum**) and Beca Capacity Modelling Assessment (**Beca Capacity Assessment**). The options are a new treatment and disposal facility in Waipapa, and upgrades of the existing treatment and disposal facility east of Kerikeri. There is not much difference in the cost to connect to either system.

9 The approach to initially treat and dispose of wastewater on-site will provide time for the upgrade options to be refined, consented and constructed. When the development is connected to the upgraded system, the development will already have reached a point where wastewater volumes will be sufficient to avoid the septicity issues with low wastewater volumes that usually are experienced during the early stages of new developments.

10 The bulk raw water supply and water treatment system will require upgrading regardless of the location of developments in the Kerikeri/Waipapa areas. The cost to connect to the water supply system will be a development cost and is therefore not an issue.

11 The proposed development will provide a funding stream for bulk infrastructure provision.

WASTEWATER

12 Mr. Henley expresses concern regarding standalone wastewater treatment plants, new pump stations and long rising mains that may be required to service the KFO site. All of these factors are common considerations for wastewater infrastructure planning processes and were considered by the Beca Technical Memorandum and Beca Capacity Assessment.

13 A treatment plant in the Waipapa area will avoid long trunk mains to the existing Kerikeri treatment plant which has benefits in terms of scalability and redundancy. In its executive summary, the Beca Capacity Assessment (page 2) shows a staged upgrade approach for the existing WWTP and states (page 3) that the treatment and conveyance costs to establish a standalone WWTP for Waipapa will be similar to providing

capacity at the Kerikeri WWTP. However, a standalone plant for Waipapa has the advantage that it could mitigate the risk of exceeding future discharge consent limits at the Kerikeri WWTP, which is likely with blue sky growth.

14 The Beca Technical Memorandum states (page 5) that a standalone treatment plant for Waipapa will result in expected inflows for the Kerikeri wastewater treatment plant (WWTP) to reduce slightly and that the long-term upgrade for Sludge Bioreactors (SBRs) 5 and 6 ($9m to $18m) may not be required. The Beca Capacity Assessment states (page 2) that the current resource consent condition related to discharge flow allows for a maximum dry weather flow discharge to the wetlands of 1,350 m^3/d as a rolling average. This is expected to allow for growth under the base forecast to the end of the consent period (2036).[1] The blue-sky growth scenario will likely exceed the consent limit for flow prior to the consent expiry around 2031. The Beca Technical Memorandum shows this information in Figure 5 copied below.

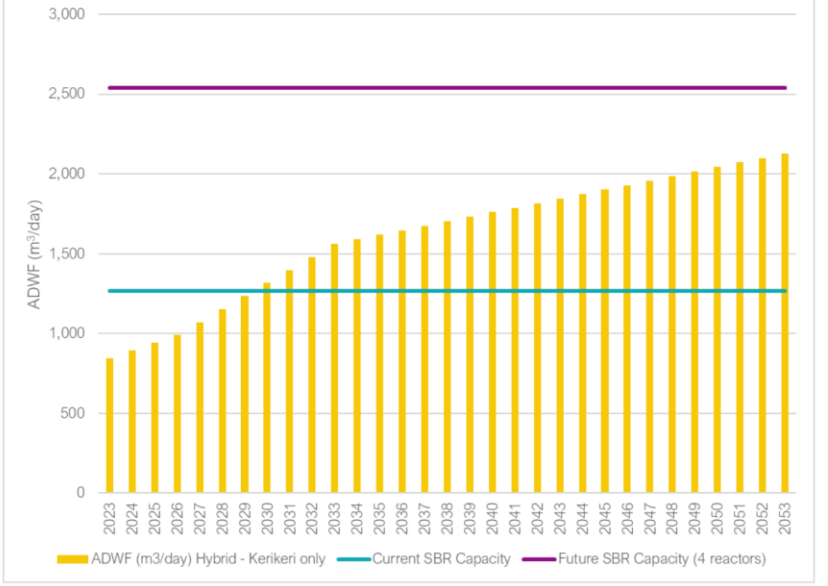

Figure 5 - Kerikeri WWTP capacity with Stand alone Waipapa WWTP

15 The Beca Capacity Assessment notes in Table 2 that SBRs 5 and 6 would be required by the mid-2040s to cater for long-term growth. The Kerikeri WWTP currently has two SBRs installed.

16 Figure 9 from the Beca Capacity Assessment is copied below, showing that the theoretical equivalent capacity limit of the wetlands at the

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1 SOE Hensley at 5.13.

existing WWTP is 2,400m3/day, which could be reached in approximately 20 years' time.

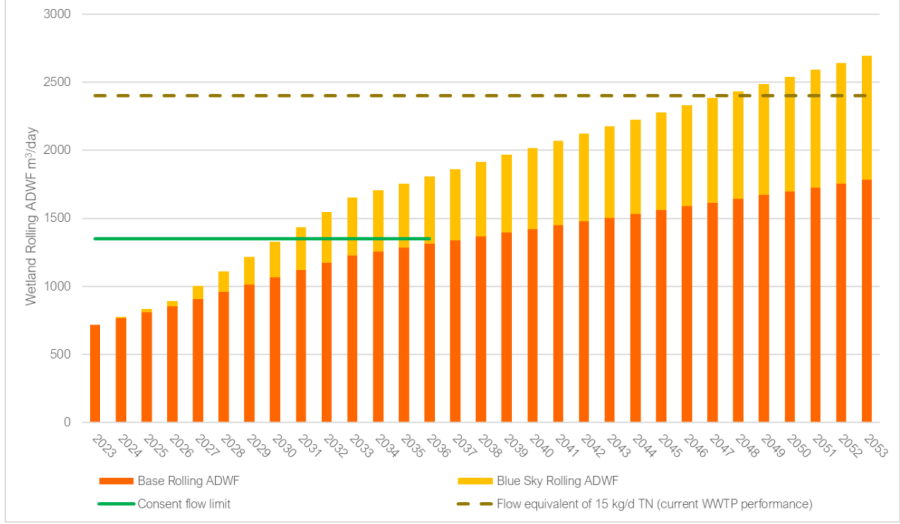

Figure 9: Wetland Discharge Capacity.

17 The key points are that the potential for upgrading the Kerikeri WWTP is limited, and that Kerikeri will face complexities with consenting for increased treated wastewater discharges regardless of whether treatment is concentrated at the existing Kerikeri WWTP or distributed by establishing a new treatment and discharge facility in the Waipapa area.

18 Including consideration of an option for a new WWTP at Waipapa in the wastewater strategy will be a more robust approach to development than an "all eggs in one basket" approach of relying solely on securing discharge consent upgrades at the existing facility.

19 Wastewater discharge capacity can be provided for the proposed development by constructing a new WWTP at Waipapa or by upgrading the existing Kerikeri WWTP. The cost of the two options is neutral, which is helpful in terms of calculating development/financial contributions. The advantage that is offered by the KFO development is that an on-site treatment and disposal option is available. The development will be able to proceed without straining the wastewater system, but still contribute to the cost of a future wastewater upgrade. That upgrade could be a new treatment plant in the Waipapa area, or an upgrade of the existing Kerikeri treatment plant. From the development's perspective, it does not matter which option is implemented because the costs are similar. It does, however, matter to the broader community because a new treatment plant in Waipapa will

offer greater flexibility and higher overall capacity. The Waipapa plant will be more complex and time-consuming to formulate, consent and implement. This is not an issue because the interim on-site treatment and disposal option will provide time, and the development can produce a funding stream. Any existing properties that connect to the upgraded system would also contribute to the cost.

20 The Beca Capacity Assessment contemplated on-site treatment as an interim solution. The conclusion says:[2]

> A high-level review of water servicing for Waipapa indicates there is little benefit in a standalone [Water Treatment Plant (WTP)] for Waipapa. For wastewater, a standalone [Wastewater Treatment Plant (WWTP)] option for Waipapa could mitigate the risk of exceeding future discharge consent limits likely with blue sky growth and allow the currently un-serviced area to be connected. If Scenarios B, C, E or F were selected, individual development WWTPs could be established as an interim measure with eventual connection to a larger scale WWTP. A Waipapa standalone WWTP to service new growth areas is expected to have similar costs to upgrading the Kerikeri WWTP plus significant time required to implement

21 The 2021-2031 long-term plan signalled that significant uncertainty existed with regard to providing wastewater capacity for the Waipapa area and foreshadowed a $35m upgrade of the Kerikeri wastewater treatment plant in years 7-10 to service growth, and a further circa $96m in years 15 to 18 to expand the Kerikeri wastewater scheme and/or a Waipapa scheme to service Waipapa. The 2024-2027 long-term plan considers a 3-year period, only due to the weather events of 2022/23.

22 The uncertainty regarding wastewater system upgrades has not yet been resolved. In the face of such uncertainty, a development that offers a standalone treatment and discharge capability, which can be integrated with future upgrades of the Kerikeri/Waipapa systems, is the best approach because it buys time and helps provide funding for those upgrades.

WATER SUPPLY

23 At paragraphs 5.4 to 5.9, Mr Hensley refers to capacity within the water supply network and the need for increases in existing water treatment and storage to address medium and long-term growth.

24 While Mr Hensley refers to the PDP-R scenario, bulk raw water supply capacity and treatment capacity upgrades will be required regardless of

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2 Beca Capacity Assessment, section 10 Conclusions, page 48.

the location of development. i.e., the current availability of water and the need to upgrade capacity for the future are agnostic of the location of that development. The cost to install the necessary pump stations and trunk mains represents a small portion of the total cost of development. The development can be required to install the necessary infrastructure to connect to the existing system and to contribute to the cost of network infrastructure.

25 My understanding is that the provisions require the developer to provide that infrastructure, and that development cannot go ahead if the infrastructure is not provided.

COST AND FEASIBILITY

26 Mr Hensley opposes KFO's development based on a perceived uncertainty about who would pay for infrastructure, and because he considers that the network infrastructure will be difficult to provide up-front and staged.

27 In terms of who bears the cost of infrastructure, I would assume KFO's commitments to fund its share of infrastructure allay Mr Hensley's concerns.

28 Wherever growth occurs, the cost of upgrading the treatment facilities (wastewater and drinking water) is a cost that will have to be incurred. This is evident from the Beca Capacity Assessment:[3]

> More WTP and reservoir capacity is needed for all scenarios. Raw water sources are available to meet expected demand. With blue sky growth, further water treatment plant capacity and additional reservoir capacity is needed in the long term.
>
> For the WWTP, more capacity, including the third and fourth SBRs, is needed for all scenarios. ….

29 Mr Hensley points out at paragraphs 4.18 to 4.23 in his evidence that significant investment in infrastructure would be required to service the KFO development and expressed concern that the Council or the Northland Waters CCO may be exposed to funding commitments they are not prepared for, if the KFO land were rezoned. Large infrastructure investment requirements are normal for large land developments. It is common practice at the rezoning stage to only demonstrate that there are no fatal flaws in servicing the land that is being considered for

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3 Beca Capacity Assessment, section 10 Conclusions, page 48.

rezoning. The District Plan can contain rules that the land can be developed only if it is serviced. Such servicing can be contingent on the availability of Council budgets for infrastructure elements where Council or other agencies need to contribute to the costs in recognition of wider community benefits. If the budgets are not available, then the Council would not be obliged to provide the infrastructure, and development would need to wait, or another funding source found (such as the Developer).

30 Servicing capability for the KFO land can be summarised as follows:

(a) Wastewater: Initially on-site, connecting to a public system when it becomes available. If the on-site capability is fully utilised before the public system connection becomes available, then development would need to be paused. The cost to connect to the public system and the cost for the public treatment and disposal facility can be charged as development contributions. The quantum of the contributions can be determined as part of subdivision consenting.

(b) Water supply: Upgrades to bulk raw water supply, treatment and bulk treated supply are required anyway. Connecting to the bulk supply would be a cost to the developer because the connection to the bulk supply would be required for development to be able to proceed.

(c) Stormwater: The costs are internalised and therefore met by the developer as part of the development. I agree with Mr Henley's assessment at paragraph 4.13 of his evidence that the effect of the proposed floodway will be to benefit the KFO development and also reduce flood risk in other areas outside the development. The standard to which the floodway is constructed will be controlled through regulatory subdivision processes, through which Council can ensure that maintenance costs will be proportionate.

(d) Transport: Transportation linkages will have to be provided in tandem with the progression of development, so the Council can set requirements for the Developer to meet their share of costs. If there are public funding components, then that funding would

be contingent on budgeting, which is subject to the normal public body budget process, competing with other priorities.

(e) Power and telecommunication: Provision of these services would be from private companies who would require payment for connections.

(f) On-site infrastructure: The cost of on-site infrastructure usually outweighs the cost of off-site infrastructure and is a cost on the development.

31 The difference in cost between growth locations is the cost of pipes and pump stations to convey the wastewater and drinking water. The Beca Capacity Assessment provided capital cost estimates for the six spatial plan scenarios.[4] I will not repeat these here other than to draw the Panel's attention to them.

32 Mr Hensley refers to the costings of a combined PDP-R and KFO scenario of $279m to $482m. This combined costing appears to be a simple addition of the potential range of infrastructure costs for Scenario F (i.e. the KFO scenario) and the PDP-R scenarios.[5] This is an overly simplistic calculation that relies on the assumption that treatment plants would be provided for both development scenarios. This would not happen as treatment would be consolidated across all growth. It also assumes that the capacity for treatment plants to service the development of both scenarios is required.

33 It would be useful to consider the cost to the wider community to provide development under the various scenarios. Councils balance the benefits of new development, the needs of the existing community and deferred investment requirements. Usually, development funds most or all the cost of new development, but sometimes there is a net cost to the existing community, where developments include elements with a wider community benefit. In deciding which developments to proceed with, the value that each development scenario offers should be measured against the costs that will be imposed on the wider community. In the case of the KFO land, the benefits the development will offer are clearly described in the documentation that has been submitted. Any costs to

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4 Beca Capacity Assessment, section 9.4, Table 22 and Table 23.

5 $134M to $234M (Scenario F / KFO) + $145M to $248M (PDP-R) = $279M to $482M (Combined)

the wider community can be controlled by including rules in the District Plan to the effect that development can proceed only if sites are serviced, and any public funding that may be required to effect servicing is subject to normal budget processes, with no obligation on Council to approve such funding.

CONCLUSION

34 The proposed development area is of a significant size and offers flexibility with regard to wastewater servicing.

35 Uncertainty exists with regard to future wastewater treatment upgrades beyond four SBRs and the maximum 2,400m^3/day discharge equivalent at the existing Kerikeri facility. The upgrade path nominally consists of either adding SBRs 5 and 6 and increasing the Waitangi discharge consent or establishing a new treatment and disposal facility at Waipapa. Both options will provide the required capacity. On-site treatment and disposal can be provided until an upgrade has been commissioned, which will allow time for formulation of options at Waipapa, consenting and construction of the upgrade.

36 Upgrades are required for bulk raw water supply and water treatment, regardless of the exact location of development. The cost to connect to the existing water supply system (and to a certain extent the cost to provide storage capacity) is dependent on the location of development, but this is a direct cost on the developers, which it has agreed it would meet.

37 Provisions should be included in the District Plan that subdivision will be approved only if servicing is available and the Council is not under an obligation to prioritise funding for publicly funded infrastructure elements.

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Johan Ehlers

24 September 2025