

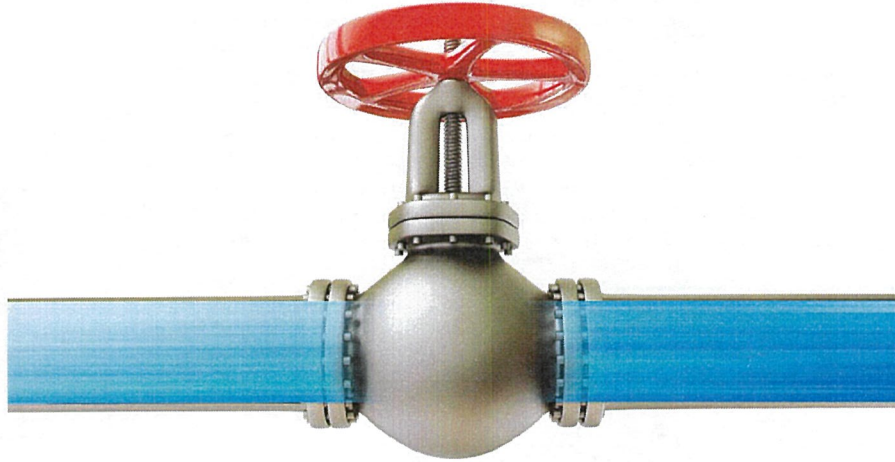


PUBLIC POLICY / NEWS

## Parliament passes law to reform New Zealand's water supply system, Nats & Act vow to repeal it



16th Aug 23, 3:27pm by Eric Frykberg



Parliament has passed a big chunk of the Government's contentious water reforms.

The Water Services Entities Amendment Bill passed its third reading with the support of Labour and the Greens but was opposed by National, Act and Te Pati Maori.

The Act replaces an earlier version, the Three Waters legislation, and establishes 10 water services entities in place of the originally planned four.

The Government says its reforms will save ratepayers money, by taking responsibility for water away from 67 local councils and putting it into the hands of 10 larger entities. It says this will bring economies of scale to the water industry.

(Frykberg, E., 2023)



**Q** "The reforms remove the water-related debt off councils' balance sheets – relieving councils of the burden of servicing this debt and the need to fund future investment in our water infrastructure," says the man who pushed through the reforms, the Local Government Minister Kieran McNulty.

"This helps limit future rates increases."

The reforms were triggered after a review found dilapidated pipes and other water infrastructure across the nation would cost \$120 billion to \$185 billion to fix.

The Government said this would not be affordable for ratepayers, but some critics have argued that the entities would incur huge levels of debt in paying for major upgrades across New Zealand.

The National Party and Act have vowed to repeal the legislation.

Two related bills are due in parliament in the coming days. They are the Water Services Legislation Bill and the Water Services Economic Efficiency and Consumer Protection Bill.

McAnulty says they will complete the legislative package for the Government's affordable water reforms.

"Every ratepayer will be economically better off because of these changes versus doing nothing," McAnulty says.

The 10 organisations retain the co-governance model of the previous, Three Waters version, with iwi having 50% representation on oversight bodies that appoint the boards to run each entity.

But McAnulty says the new version will have greater local representation than in its previous incarnation.

- LABOUR PARTY
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- INFRASTRUCTURE
- KIERAN MCANULTY

