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(Mahuta, N., 2021)

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P. Government water reforms to build economic resilience and save ratepayers money



HON NANAIA MAHUTA (/MINISTER/HON-NANAIA-MAHUTA)

Local Government (/portfolio/labour-2020-2023/local-government)

The Government is proposing to establish four publicly-owned entities to take responsibility of drinking water, wastewater and stormwater infrastructure across New Zealand, saving ratepayers thousands of dollars and better ensuring the \$120 to \$185 billion investment in services can be made.

“The data shows the case for change is compelling. Without these changes DIA modelling shows that even at the more conservative end of estimates, the average household bill for water services could be as high as \$1900 to \$9000 by 2051, which would be unaffordable for many communities,” Local Government Minister Nanaia Mahuta said.

“Under our proposal for four providers those figures range from \$800 to \$1,640, saving households thousands of dollars.

“It’s estimated New Zealand will need to invest between \$120 billion and \$185 billion to maintain safe, sustainable and environmentally appropriate drinking water, wastewater and stormwater infrastructure over the next 30 years, costs that most local councils simply can’t shoulder on their own.

“The Government has considered the evidence and proposes that four large water entities will create an affordable system that ensures secure delivery of safe drinking water and resilient wastewater and stormwater systems.

“We have seen the effects of a system in crisis: fatalities from bacteria in drinking water, broken sewer pipes, poorly treated wastewater running into streams and rivers, no-swim notices at the beaches, regular boil-water notices, and lead contamination,” said Nanaia Mahuta.

Nanaia Mahuta also released information showing how the reforms will affect each council and the projected costs for their communities with and without three waters reform.

“As we undertake our economic recovery, these four entities will ensure the upgrade of infrastructure for our most precious natural resource, which will not only help reign in increasing costs for households but provide local jobs while contributing to regional economies,” Nanaia Mahuta said.

The reforms are indicated to grow New Zealand’s GDP by \$14 billion to \$23 billion over the next 30 years and generate 5,850 to 9,260 full-time equivalent jobs.

“Without this change, communities are going to either face very large bills for water services; or infrastructure will continue to deteriorate, leading to ongoing health and environmental consequences. Both of these outcomes are unacceptable,” said Nanaia Mahuta.

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At present, 67 councils provide most of the country's three waters services, a system that is in too many cases ineffective, inefficient, and not fit for purpose.

"Underinvestment, including deferred maintenance and renewals expenditure, has left a legacy of impending costs and poor services for future generations," said Nanaia Mahuta.

Today's comprehensive release is part of a package of proposed reforms including the recent establishment of Taumata Arowai, the new water services regulator, and the planned introduction of economic regulation. It includes the proposed boundaries of the four water providers, further details on the proposed water services entities, including governance arrangements, the role of iwi, and how they would be regulated.

"The Government will continue to work with the sector, iwi and industry on some of the details to give these transformational reforms the best chance of success. We will be making further announcements in the coming weeks, including a three waters reform support package for councils and their communities," Nanaia Mahuta said.

"Now that Councils have received this data they can now assess the impact of these proposed reforms. We now need to ensure that ratepayers and households understand the beneficial health, environmental and cost impacts so we can move forward with greater confidence," said Nanaia Mahuta.

Supporting information can be found at: <https://www.dia.govt.nz/Three-Waters-Reform-Programme> (<https://www.dia.govt.nz/Three-Waters-Reform-Programme>)

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