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The Government has unveiled proposals to move the ownership and management of water infrastructure from local councils and into the hands of four water services agencies, split regionally.

Local Government Minister Nanaia Mahuta released the long-signalled "Three Waters" decisions today, saying the move on drinking water, wastewater and stormwater infrastructure would save ratepayers money.

It would also result in better, safer services, and help ensure that the expected \$120 billion to \$185b in investment over the next 30 years could be made.

Mahuta said the present model was "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.

"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."

Mahuta said a support package for councils would be announced in the next few weeks.

However, the plan is in for a rough ride. There are 67 councils which currently manage their own water infrastructure.

Northland and Auckland would be covered by the same agency, and on Tuesday Whangarei District Council has voted to opt out.

Mayor Sheryl Mai told the Northern Advocate there was concern about what it would mean for the local assets ratepayers had paid for, and the risk Northland would come second to Auckland under the model. It had decided to opt out until more details were known.

Modelling on the impact of the reforms on Whangārei shows that without the reforms, the cost of investment in water per household in Whangārei could rise from \$1860 now to \$4060 in 2051. It calculated that the reforms could shrink that cost to \$800.

Mahuta has argued the changes are needed to ensure safe water standards, and address the estimated \$120b - \$185b investment that is needed on water infrastructure over the next 30 years. "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," Mahuta said.

"Under our proposal for four providers those figures range from \$800 to \$1640, saving households thousands of dollars."



Local Government Minister Nanaia Mahuta. Photo / Mark Mitchell

The reaction

National Party water spokesman Simon Bridges said he was not convinced the new model would result in the savings the government was promising.

He said National agreed some change was needed, but there were several issues with the Government's proposal.

"Ratepayers face losing local control of the assets they've paid for over generations, while being asked to foot the bill for poorer-performing neighbours – all while getting no guarantee that the service will materially improve," Bridges said.

Act leader David Seymour said the plan to give mana whenua equal standing with local body representatives on the Regional Representative Groups was an unnecessary step toward a "Partnership State."

"Co-governance should not be the priority; the priority should be fixing the pipes. We have sewage on the streets in Wellington and yet at local and central government level the priority is honouring the Treaty.

"Nanaia Mahuta's water reforms will mean mana whenua have equal rights with councils in governing water assets. People shouldn't have a seat at the table just because of who their ancestors were."