



Office of Hon Rodney Hide

MP for Epsom

Minister of Local Government

Minister for Regulatory Reform

Associate Minister of Commerce

Maria McMillan
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Dear Ms McMillan

Policy on domestic water supply

Thank you for your email of 18 March 2009, to Hon John Carter, asking for information on current government policy on domestic water supply. Hon Carter has asked me to reply to you as these matters fall within my local government portfolio. You mention that you are particularly interested in water metering and charging, private sector involvement in delivery or management, and ownership.

The Local Government Act 2002 places obligations on local government organisations to provide and maintain water services. Decisions about how to apply charges for water usage are made at the local level. Some local authorities charge a base fee in rates that is adjusted based on property value. Currently 11 of the 73 local authorities in New Zealand have metering systems that measure and charge for domestic water supplied to households.

There is provision under the Local Government Act 2002 for local government organisations to contract out part or all of a water services, limited to 15 years. If a local authority enters into a contract for water services, it must retain control over matters relating to the pricing, management, and development of policy related to the delivery of water services. Public-private partnerships can be very effective in ensuring the quick and efficient construction and maintenance of major infrastructure.

The Government is committed to ensuring better infrastructure, including water and waste-water, and will be making significant investment in a number of new capital projects over the next few years. You may be interested to know that a specialist National Infrastructure Unit was established recently within the Treasury to take a national overview of infrastructure priorities. The Unit will be developing a 20-year National Infrastructure Plan in conjunction with government agencies, local government and the private sector to set a direction for vital national infrastructure investment, including top priority projects.

Thank you again for your email.

Yours sincerely

Hon Rodney Hide
Minister of Local Government