

# The global company Veolia at the heart of NZ's wastewater disaster

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A catastrophic failure at the Moa Point Wastewater Treatment Plant in the New Zealand capital, Wellington, during heavy rains on February 4, has become an escalating crisis. Following an outlet blockage, tens of millions of litres of raw, untreated sewage have poured into the ocean, creating an environmental and public health disaster. Repairs are expected to take months and cost millions of dollars.

Wellington's beaches are closed indefinitely due to bacterial levels far above safe limits. During a major storm on February 15–16, sewage that had not undergone biological or ultraviolet treatment was pushed back towards the coast, with 120 km/h gale force winds lashing nearby suburbs with toxic waste.

The disaster is the foreseeable result of decades of underinvestment by national and local governments of all stripes. Wellington's water underinvestment spans five decades, with a \$NZ578 million backlog identified by 2020. The city council, run by a rotating cabal of councillors and mayors, including those with business connections and representatives of the main political parties, carry much of the culpability for the failures of its management arm, Wellington Water and the operator, French multinational Veolia.

Officials who fronted a 300-strong public meeting on February 16 were met with anger and frustration at the lack of information. Wellington Water spokesman Bill Bayfield declared that since a Crown review is imminent and insurance processes are underway there was little he could reveal. Labour Party Mayor Andrew Little would not say who might pay for the fallout or repairs with “a whole bunch of insurance claims being made by all sorts of parties.”

The debacle highlights the role that local-body politicians—including Labour and the Greens—play within capitalist society. They administer infrastructure, public works and regulatory regimes to lower the cost of

business and create conditions for profitable investment. The Wellington Council managed its water infrastructure by maintaining a regime of minimal investment, then outsourcing its operations to Veolia with little oversight. The entire framework has now come undone under the pressure of deepening austerity, cost blowouts and escalating financial constraints.

Central to the Moa Point operation is the embrace of the public-private partnership model, with critical infrastructure outsourced to a profit-driven conglomerate. Veolia was contracted in 2004 to run Moa Point, then in 2017 all four of the region's treatment plants. The contract is worth \$170 million over 10 years. The company manages 100 water and wastewater facilities across the country, including in the largest city, Auckland.

Veolia's record is damning. An independent review of the Wellington plants in 2021 found Veolia had “failed to carry out basic asset management, including regular maintenance.” Equipment was described as “obsolete and outdated and prone to failure.” Plants were understaffed, operators were inexperienced, and there was a “lack of executive oversight.” Wellington Water issued warnings, infringement notices and abatement notices yet the “high costs and risks” of terminating the contract prevented its cancellation.

In Queenstown, the Veolia-operated Shotover Wastewater Treatment Plant similarly received multiple abatement and infringement notices, and an enforcement order from Otago Regional Council after wastewater ponded near the airport, posing a bird strike risk. Excess treated effluent has been discharged into the Shotover River.

Veolia is one of the world's most powerful private operators in the once-public domains of water, waste and energy. Publicly listed on Euronext Paris as Veolia Environnement, its institutional shareholders are global asset managers and banks, including major financial

parasites such as Goldman Sachs and BlackRock.

Active across 56 countries, Veolia epitomises the subordination of vital resources and public services to the profit interests of finance capital, imposing the costs of capitalist crises onto the working class. Veolia is responsible for some 3,200 wastewater treatment plants globally, employs 215,000 workers and reported revenue of €44.7–45.4 billion in 2024, with a net profit of €1.53 billion, underscoring the enormous flow of social resources converted into shareholder value.

The company's operations have encountered international criticism and legal challenges. Among the most egregious was its role in the contaminated water crisis in Flint, Michigan where more than 100,000 Americans were exposed to elevated lead levels in 2014–2015 after incorrectly treated water leached lead from ageing pipes. Flint became the centre of one of the US' largest outbreaks of Legionnaires Disease.

Veolia was hired as a consultant at Flint in 2015. Rather than identify and demand corrosion-control measures that would have prevented lead leaching, Veolia produced a report that downplayed the risk and asserted the water was “in compliance” with regulatory standards. This was used by state and local officials to justify switching to contaminated Flint River water while residents were being poisoned. Veolia later reached a \$US53 million settlement while denying wrongdoing, ludicrously saying it was tasked with assessing carcinogens, not lead.

In 2012, the Pittsburgh Water and Sewer Authority (PWSA) contracted Veolia to manage operations under a performance based contract that let Veolia keep a share of any cost savings it achieved. During Veolia's management, PWSA changed its corrosion control treatment without required state approval, after which lead levels in tap water exceeded federal action levels for the first time ever.

In what may well prefigure any legal contest in Wellington, in 2016 PWSA sued Veolia, alleging the company mismanaged operations and misled the authority; Veolia countersued and denied responsibility, arguing that aging infrastructure and decisions by PWSA staff were to blame. The dispute was settled in 2018 with neither side accepting culpability.

According to *Stuff*, in 2018 Veolia agreed with the Massachusetts state government to pay a \$US1.6 million penalty after it allegedly failed to properly maintain a wastewater treatment plant in the city of Plymouth, resulting in more than 10 million gallons of raw, untreated sewage contaminating parts of the town.

In southern California, Veolia is currently facing a class action suit by homeowners, a local school district and environmental groups accusing the company of allowing repeated discharges of untreated wastewater into the Pacific Ocean and Tijuana River. Veolia has denied it is responsible, saying Mexico is the source of the pollution and not the treatment plant.

Veolia has faced a wave of labour disputes and strikes involving harsh attacks on wages, conditions and basic organising rights. The company's business model—outsourcing, cost cutting and long term public contracts—rests on intensifying the exploitation of an often fragmented and casualised workforce.

At Veolia's waste depot in Sheffield in the UK, refuse workers were engaged in a rolling strike from August 2024 over union recognition, pay and conditions. Unite union members employed on the council refuse contract voted by 90 percent to continue indefinite action into a second year in 2025, demanding the harmonisation of contracts, improved sick pay and inflation linked wage rises.

Veolia has also been hit by strike action at its Energy Recovery Facility incinerator in Newhaven, East Sussex. The Sheffield and Newhaven disputes reveal a pattern: Veolia attempts to ring fence localised strikes, lean on state mediation bodies, and use public relations and legal threats to resist any challenge to its cost cutting agenda. Above all, it relies on the trade union bureaucracies to isolate struggles, wear down and sell-out the workers.

The defence of basic social rights—including to clean water, sanitation and liveable environments—cannot be left up to big business operations, or their enablers on local councils. What is required is the fight for public ownership under democratic worker and community control. This means above all independent political action by the working class: building rank-and-file organisations including workplace and neighbourhood committees, armed with a socialist program.



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