

New Zealand: Thousands unable to pay exorbitant water bills

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28 October 2026

The Socialist Equality Group (NZ) is standing Tom Petterson as its candidate in New Zealand's November 7 election for the working-class electorate of Hutt South. Working people there are facing serious problems over what is one of the most basic requirements of life—water. Yet the issue has been all but buried in the election campaign.

Massive increases in water bills have taken place since the new water agency, Tiaki Wai, was established in July and more than 30,000 people have not paid their first quarterly water bill. The agency oversees residential water, wastewater, and stormwater services in four local council areas: Wellington City, Lower and Upper Hutt and Porirua. It calculates its charges on property capital values plus fixed charges. The first payment from residents and businesses was due on September 1.

Many were shocked to discover their first bills as high as \$700. Radio NZ (RNZ) revealed on October 16 that 30,116 customers had not paid by the due date—18.5 percent of all accounts. Nearly 500 customers had spoken to the agency about financial hardship and some seeking hardship support arrangements. The unpaid bills totalled \$21 million. While saying no penalties would be applied for late payment “for an initial period,” Tiaki Wai CEO Michael Brewster ominously warned that bad debts “may ultimately be referred to debt collectors.”

The separation of water billing from other council charges was sold on the lie that there would be an equivalent reduction in council rates. Residents have to pay two rates—local and regional—and both have increased. In 2024–25, Wellington City's rates rose by 16.9 percent or 18.5 percent, with a special levy for the Moa Point treatment plant included. Rates for the Greater Wellington Regional Council increased by 20.5

percent. Rate rises for 2026–27 for the four local councils will be 5.8 to 5.9 percent, well above inflation.

Tiaki Wai has forecast spending \$799 million this financial year, funded by \$465 million from billing and the rest from borrowing, which will inevitably be repaid by households through future charges. Water bills are increasing by 13.3 percent this year, with an average annual charge of \$2,390 per household. Forecasts of bills reaching \$6,000 a year within a decade have alarmed residents, prompting a backlash including a protest by 300 people outside parliament in August.

The establishment of Tiaki Wai was a product of the National Party-led government's Local Water Done Well legislation, passed in August 2025. It falsely promised to address chronic underinvestment in water infrastructure while offering “local control and choice.” Minister for Local Government Simon Watts bluntly told local governments to establish regional water agencies—like Tiaki Wai—or face a mandated upper limit on council rates. “Lead your own reform or we will do it for you,” he warned.

There has been a long-term rundown and degradation of water services across the country for which governments, Labour and National, at all levels are responsible. In the Wellington region, local and regional councils have been dominated by Labour and Green Party councillors. The capital's current mayor is Labour's Andrew Little.

A graphic example is the catastrophic failure of Wellington's Moa Point wastewater plant in February. Following an outlet blockage, tens of millions of litres of raw, untreated sewage poured into the ocean, creating an environmental and public health disaster. Repairs are costing millions of dollars.

Central to Moa Point was a public-private partnership

in which critical infrastructure was outsourced to the multi-national corporation Veolia. 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.

Veolia's local record is damning, as it is globally. 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." Yet Veolia's contract was not cancelled.

The country as a whole is plagued by the consequences of decades of underinvestment with aging networks, widespread leaking and high rates of wastewater overflows. Some 30 percent of pipes are in poor or very poor condition, with many networks well past their expected lifespans. Leakage is roughly 22 percent of treated water, while sewer systems and strained networks experience thousands of raw sewage overflows yearly.

The Independent Infrastructure Commission estimates that \$49 billion is required to fix and upgrade water systems over the next decade, with some predictions rising to \$185 billion over 30 years.

After drinking water in the provincial town of Havelock North was contaminated with campylobacter in 2016—leading to four deaths and 5,500 illnesses—the 2017 Labour government promised to fix the rundown water systems, with its Three Waters reforms. The legislation, which passed through parliament in August 2023, would have shifted management of water services from 67 local councils into larger regional entities, ostensibly to enable greater investment.

Labour, however, refused to allocate the funding required to rebuild decaying water infrastructure. Its policy was designed not to benefit working people but to create corporatised entities, oriented towards "cost recovery" and user-pays mechanisms that would burden households with escalating water charges.

Three Waters also contained a provision for unelected Māori tribal corporations to have "co-governance" alongside council representatives over water pipes, treatment facilities and other infrastructure. The measure would have boosted the position of the

wealthy Māori elite. But it was seized on by National and its far-right allies—ACT and New Zealand First—to whip up public opposition on a racist basis.

The National-led coalition, installed in late 2023, repealed the Three Waters legislation. Its Local Water Done Well policy created 42 separate water entities instead of 10, keeping cash-strapped councils responsible for infrastructure, while simultaneously capping rate increases and restricting councils' ability to borrow.

The inevitable result is that working people bear the burden. Councils cannot raise sufficient revenue to address the infrastructure backlog, the government refuses to fund it, and the working class pays the price in depleted and unworkable services.

Presenting the Socialist Equality Group's program at a Hutt South election forum on October 18, Tom Petterson opposed the entire pro-corporate framework, explaining: "Water is a fundamental human right. Capitalism has failed to protect that right." None of the contesting parties have any intention of providing the investment required to fix, upgrade and maintain essential infrastructure, he said.

"Workers should not have to pay for this crisis," Petterson emphasised. Measures to combat the skyrocketing cost of living should be paid for by cancelling "all spending on the military and intelligence agencies and preparations for war, and by expropriating the banks and major corporations," he declared. Fundamental social rights such as water "will only be protected under a socialist system in which everything is subordinate to the needs of the population, not private profit," he concluded.

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