

# OWNERSHIP OF URBAN WATER INFRASTRUCTURE

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## **Policy**

Water New Zealand supports public ownership of urban water infrastructure.

## **Explanation**

Unlike other utilities reticulated water networks lend themselves to being natural monopolies. (While it would be physically possible to lay networks for alternative suppliers, it is highly unlikely to be economically viable.) They bring both public and private benefits. Water New Zealand's position reflects the broader community view that they should remain in public ownership.

While internationally there are successful and unsuccessful examples of both public and private ownership of this infrastructure, the great majority remain in public ownership.

Best practice examples of the supply of water services in overseas jurisdictions have common features. These include:

1. De-politicising the provision of the services;
2. A move to more commercial organisational structures;
3. Direct billing for the services rather than via rates or taxes;
4. Larger units of management achieving economies of scope and scale; and
5. High quality independent regulation.

None of these attributes require a privately owned model. They may all be achieved through a publicly owned but independently governed entity operating under commercial principles.