COMMERCE COMMISSION NEW ZEALAND
Te Komihana Tauhokohoko

Economic regulation and water

PRESENTATION TO ROTORUA LAKES DISTRICT COUNCIL

12 August 2026

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The Commerce Commission | Te Komihana Tauhokohoko

- We are an independent competition, fair trading, and economic regulator.
- We have regulatory responsibilities in areas including telecommunications, energy networks, transport fuel, the banking retail payment system, groceries, airports, and water.
- The three main areas of work that the Commission undertakes are:
  - Promoting competition in markets throughout the economy.
  - Influencing monopoly infrastructure performance for better essential services.
  - Tackling harm, including from unfair trade practices and irresponsible lending.
- Our three main outcomes as an organisation are:
  - More competitive markets support economic prosperity.
  - Preventing and getting ahead of competition and consumer harm.
  - Sustainable and resilient infrastructure.

Our role in water

He aha rā te waeture ohaoha me te whakamaru kiritaki?

- **Economic regulation** is a way of influencing the behaviour of suppliers in sectors which are important to people's lives and where there are issues with market power (eg, monopolies), including the price and quality of products and services supplied.
- **Consumer protections** are safeguards for consumer interests, including ensuring regulated suppliers have effective processes in place for consumer complaints and dispute resolution.

Ko wai tātou?

John Small – Chair

Loretta Lovell – Associate Commissioner

Charlotte Reed – Head of Water

Emily Botje – Principal Engineer

Frances Dagg – Water Manager

Current regulations: information disclosure

ID is one of our regulatory tools under the Commerce Act. Regulated suppliers including Councils and water CCOs are required to share key performance information publicly (ID requirements).

Suppliers must publish this information themselves and provide it to us. Key areas of information include asset management, general financial information, and pricing and contracts.

Submissions to us are subject to audit and certification requirements. Certification requirements can be met by one Councillor and the CE.

ID shines a light on performance. Stakeholders gain a better understanding of supplier performance, how this compares to past performance and other suppliers, where there are any issues and what improvements are expected in the future.

Key Dates

Date	Relevant ID requirements
2026	
Immediate and ongoing	Notify us with key changes related to becoming a new water organisation, transferring services or taking over supply.
1 August and ongoing	Publish current charges and policies on dividends and funding growth.
2027	
31 July	Basic 10-year forecast financial information, 30-year forecast capital expenditure, Asset Management Plan, Investment and Delivery Plan, and Strategic Asset Management Plan
30 November	Actual information on previous financial year's spending required – ongoing and annually
2028	
31 July	Full 10-year forecast financial information
30 November	Full annual delivery reports showing performance against the Asset Management Plan, Investment and Delivery Plan and Asset Management Improvement Plan.
2030	
31 July	Full information disclosure requirements phased in.

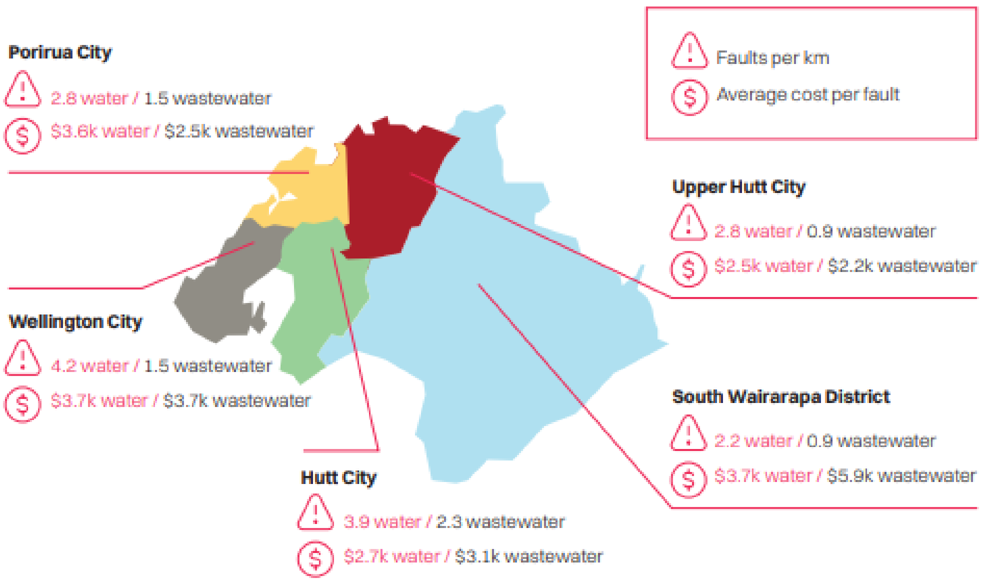
Ringfencing of water revenues

- Under the Local Government Water Services Act, water service providers must ensure that the revenue and funding they receive from and for providing water services, is spent on water services.
- The Commission has a role in monitoring and enforcing this for the services we regulate – water and wastewater.
- Our initial ID requirements include the requirement for a statement on the extent that spending of revenue from, and funding for, providing regulated services is consistent with the ringfencing principle.

Summary and analysis

- We will provide a range of analysis of this information to help the public understand how their local water supplier is performing individually and when compared to others, and to track changes over time.
- Where there are risks to performance, we will consider whether to intervene further, and if so, how.

Regional snapshot map: Water services across Wellington in 2025
Mahere hei tirohanga wawe: Ngā ratonga wai puta noa i Te Whanganui-a-Tara



What do these measures mean?

- Measures are shown for **water** and **wastewater** networks.
- A **fault** is an issue with the network (eg pipe burst).
- **Faults per km** is the total number of faults received divided by the total network length (pipes).
- **Average cost per fault** equals total money spent on maintaining the network divided by total number of completed faults.

How does your area compare?

Highest # water faults per km	Wellington City
Lowest # water faults per km	South Wairarapa District
Highest # wastewater faults per km	Hutt City
Lowest # wastewater faults per km	Upper Hutt City
Highest average cost to fix a water fault	South Wairarapa District

Regulation of others: Watercare

- Currently, we are the **Crown monitor** for Watercare under the Charter.
- We are setting the first **price-quality path** for Watercare under Part 4 of the Commerce Act. It will apply when the Charter ends in mid-2028.
- Under a price-quality path we can set the **maximum amount of money** that Watercare can recover from consumers, and the **quality of service** they need to provide for that money. We can also set a minimum amount of money they can recover, if we think this helps consumers in the long term.
- A price-quality path works with other components of economic regulation, like **information disclosure** that requires Watercare to publish information that lets stakeholders understand whether it's delivering the quality of service they expect.

Regulation of others: Tiaki Wai

- We have consulted on ongoing targeted economic regulation to improve transparency, accountability, and outcomes for Wellington consumers.
- Our consultation focussed on areas we consider are key performance risks, including asset management, delivery, financial sustainability and non-financial performance.
- We proposed additional information disclosure requirements, including of an asset management maturity assessment and improvement plan.

How we can help

- We are providing the following support to help regulated suppliers fully comply.
- Contact us wai@comcom.govt.nz
- Sign up for notifications https://www.comcom.govt.nz/news-and-media/subscribe-and-follow-us/

Pātai?

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