Proposed changes to ID: Ring-fencing additional disclosures and reporting templates for all disclosures
Ngā panonitanga mō te ID: Te mahi tāpui he whakapuakanga tāpiri me ngā tātauira pūrongo whakapuakanga

November 2026

COMMERCE COMMISSION NEW ZEALAND
Te Komihana Tauhokohoko



We're seeking feedback on our draft decision
Kei te kimi whakaaro mātou mō tā mātou whakataunga hukihuki

We are proposing to set additional information disclosure (ID) requirements relating to ring-fencing, including new reporting templates.

These disclosures would provide greater transparency about how revenue and funding collected for regulated water services are used. This will give consumers confidence that the money they're paying is spent on the services they expect.

We will use this information to assess whether the ring-fencing principle is being met and whether stronger ring-fencing regulation is needed.

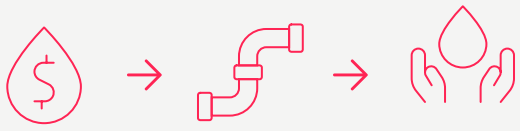
We are also proposing to require suppliers to use prescribed ID templates. This would apply to both existing templates that are currently optional, and the new reporting templates relating to ring-fencing.

Our role in monitoring the ring-fencing principle
Tā mātou hei aroturuki i te mātāpono

Consumers should have confidence that money being paid for water services, whether through water rates or separate water charges, is supporting water services. Ring-fencing is a financial principle that ensures money collected for water services is kept for, and spent on, water services. It is a new legal requirement, and covers water supply, wastewater and stormwater services for councils and other water organisations.[1]

The Commerce Commission monitors compliance with this principle for water supply and wastewater services. To support this role, our proposed requirements would improve transparency about how funds are used, helping consumers understand whether funding intended for regulated water services is being used to support the operations and investment of those services.

Money paid for regulated water services should support water services



Funding and revenue for water services → **Water services** → **Better outcomes**

1. Local Government Water Services Act, s 18 (1) (a)

What we are proposing
Tā mātou hei whakakaupaparanga

Our proposed framework would draw on information from the Funding Impact Statements that regulated suppliers already include in their annual reports. We are proposing additional disclosures, focused on higher risk areas where funds may move between regulated water services and other activities. By building on existing reporting, our approach minimises any additional reporting burden and ensures the information required for transparency is available.

We think the template for recording this information should be compulsory, and we are also consulting on making all our ID templates compulsory. This is because our experience with information provided to us so far has been that the templates support clearer, more complete information for people who are interested.

Why this matters for consumers
Tōna whaitake ki ngā kiritaki

The proposed disclosures would provide:

- Greater transparency on how revenue and funding are used
- Confidence that money collected for regulated water services supports water infrastructure and service delivery
- Greater financial accountability of water service providers

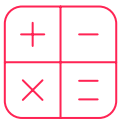
Why are we proposing additional disclosures now?
He aha te take e taka ana mātou i ngā whakapuakanga tāpiri iāianei?

When we established the ID regime, we included a requirement for suppliers to provide a statement on their compliance with the ring-fencing principle.

We are now consulting on a proposed set of disclosures that would provide more consistent and comparable information about how revenue and funding are used. Introducing these requirements now will provide suppliers with clarity around the focus of our monitoring and promote compliance with the ring-fencing principle.

Common questions
Ngā pātai auau

How is ring-fencing different from accounting separation?



Accounting separation is a way of maintaining separate financial records showing how information like revenues and costs relates to different services, such as water, roading, or libraries. It helps people understand where money is being allocated and provides greater transparency about the financial performance of each service.

Ring-fencing is not about how financial information is recorded. It is about whether money paid for water services by consumers is used to provide water services, rather than being spent on other services.

How is ring-fencing different from pricing?



Decisions about how much individual customers pay for water services or whether to align pricing across geographic areas (sometimes called price harmonisation) are separate from ring-fencing.

Ring-fencing focuses on whether the money that is collected for water services continues to support operations and investment in water services, rather than how much you've been charged.

Want to know more?
Kei te hiahia rānei he mōhiohio anō?

The documents associated with this factsheet can be found on our **website**. Submissions on our paper close 15 December 2026.

You can join our email list for our **Commission-wide updates**, including our newsletter or any of our industry-specific updates. You can also join our **media release email list**.

Who is the Commerce Commission?
Ko wai rā te Komihana Tauhokohoko?

We are the economic regulator for water services and have complementary consumer protection powers for those services. In our role we currently only regulate water supply and wastewater services provided by decision making local government water service suppliers (regulated suppliers).

We are not regulating stormwater services right now, but we may recommend that they be regulated in the future.