

Our Reference: EXT-39 / 251009192500

20 October 2025

The Commerce Commission

Email: wai@comcom.govt.nz

Waimakariri District Council submission on the Economic Regulation of Water Services – Information Disclosure – Draft decision

1. Introduction

- 1.1. The Waimakariri District Council (the “Council”) thanks the Commerce Commission (the “Commission”) for the opportunity to provide a submission on the draft decision package to introduce information disclosure requirements in the water sector.
- 1.2. We note the Commission is consulting on the Economic Regulation of Water Services – Information Disclosure – Draft decision (the Information Disclosure) until 20 October 2025.
- 1.3. Due to the timing of the consultation coinciding with the local body elections, this submission has been prepared without input from Elected Members.
- 1.4. We acknowledge the Commission’s emerging role in the economic regulation of water services and recognise that this represents a new and evolving area of responsibility. As a high-performing provider of water services, we are particularly aware of the importance of ensuring consistent standards of performance and compliance across all water networks in New Zealand.
- 1.5. We support the overarching intent of introducing economic regulation in the water sector. In particular, we endorse the objective of the regulatory framework to enable and encourage sufficient, sustained long-term investment in water infrastructure—an essential foundation for maintaining service quality, resilience, and affordability for communities.
- 1.6. We also support the proposed Information Disclosure (ID) requirements as a key component of economic regulation. In our feedback, we identify areas where further clarification is needed, offer practical insights on the proposed ID framework, and highlight where the requirements may intersect with, or be constrained by, existing regulatory and legislative obligations.
- 1.7. The completed submission template is attached to this submission letter.

2. Background

- 2.1. Waimakariri District (District) is located in the Canterbury Region, north of the Waimakariri River. The District is approximately 225,000 hectares in area and extends from Pegasus Bay in the east to the Puketeraki Ranges in the west. It lies within the takiwā of Ngāi Tūāhuriri one of the primary hapū of Te Rūnanga o Ngāi Tahu. The District shares boundaries with Christchurch City to the south, Selwyn District to the

south and west, and Hurunui District to the north.

- 2.2. The Waimakariri District is geographically diverse, ranging from provincial townships such as Rangiora and Kaiapoi, through to the remote high country farming area of Lees Valley. Eighty percent of the population is located in the east of the district and approximately 60 percent of residents live in the four main urban areas of Rangiora, Kaiapoi, Woodend/Pegasus and Oxford. The remainder live in smaller settlements or the district's rural area, including approximately 6000 on rural-residential or rural 'lifestyle' blocks.
- 2.3. Geographically, socio-culturally and economically, the Waimakariri District is primarily a peri-urban area. Residents are drawn to and identify with the outdoor lifestyle and recreation opportunities available in our district. However, due to its proximity to Christchurch City, the district has a significant and growing urban and peri-urban population. Consequently, primary production and construction are the two largest economic sectors in the district.
- 2.4. As a fast-growing district that could be approaching a population of 100,000 in the near future, a large proportion of the infrastructure has been installed within the last 35 years. The majority of it is therefore relatively new with the average age of our water systems is currently 21 years old, further detailed in the table below.

Parameters	Drinking Supply	Wastewater	Stormwater
Average age of Network Assets	21.2 years	24.0 years	18.0 years

- 2.5. The Council currently provides reticulated water supplies for approximately 80% of the District's population, from 11 physically distinct schemes. The two main types of supplies are on-demand (supplying urban areas) and restricted or semi-restricted (supplying rural and rural-residential areas). The on-demand schemes are provided with a common level of service, while restricted and semi-restricted levels of service are scheme specific. All schemes are managed through Activity Management Plans (AMPs) and are operated in accordance with their respective resource consent conditions.
- 2.6. Approximately 20% of residents, many living on lifestyle blocks ranging from 0.5 to 4 hectares, either receive drinking water from Hurunui District Council via the Ashley Rural scheme or rely on private supplies. These residents typically use on-site wastewater disposal systems and are not connected to reticulated stormwater networks.
- 2.7. The majority of properties in the Ashley, Loburn and Sefton areas are connected to the Ashley Rural Water Supply scheme administered by the Hurunui District Council. This scheme supplies water to about 1,680 properties within the Waimakariri District Council boundaries, but is owned, managed and operated by the Hurunui District Council. This is an example in practice of shared service arrangements that have been in place prior to discussions about water reform.
- 2.8. Over the last 20 years the Council have spent \$100m on three waters infrastructure upgrades. A further \$139m is allocated in our Long-Term Plan (LTP) for drinking water safety upgrades, improved wastewater treatment and to address flood risk over the

next 10 years. Our 30-Year Infrastructure Strategy is a risk-based renewals policy and operates in conjunction with a 150-year renewal programme which aims to replace highly critical infrastructure at 85% of its expected lifespan.

- 2.9. The Council's Water Services Delivery Plan (WSDP) for the District was accepted on 21 July 2025. The Council has initiated key implementation steps for the WSDP that will be provided by an In-house Business Unit.

3. Key Submission Points

Asset management

- 3.1. We support the proposed approach of dividing asset management disclosures into two categories: basic and additional. This distinction is appropriate given the current transitional phase, where the priority should be on clearly and consistently presenting the core elements of asset management planning. Once this foundation is well established, it will be more effective to expand into secondary and tertiary aspects.
- 3.2. We support the exclusion of all additional disclosures shaded grey from the initial information disclosure requirements, with one exception—**clause C9**. We believe the Asset Management Plan (AMP) should include statements and/or commentary that outline, at a high level, how asset data systems are supporting asset management planning. It should also highlight the challenges and opportunities associated with current asset data systems. Including this information is valuable for identifying areas where improvements can be made.
- 3.3. We generally support the division of asset management disclosures into three categories: Strategic Asset Management, Asset Management, and Investment and Delivery. We find this structure effectively captures the key aspects of asset management planning that are most relevant to our organisation and stakeholders from a practical standpoint, these aspects are covered in 3.4, 3.5 and 3.6 below.
- 3.4. Strategic Asset Management
- What are our objectives?
 - What is our high-level approach to asset management planning?
 - What are the key drivers and risks at both district and portfolio levels?
 - How are we responding to these key aspects at a strategic level?
- 3.5. Asset Management Plan
- What is the activity and associated asset portfolio?
 - How are we performing?
 - What impact do the key drivers and risks have on the activity and sub-portfolios?
 - What are the issues and options for responding?
 - How can we improve our asset management planning?
- 3.6. Investment and Delivery
- What is our committed response at the sub-portfolio level?
 - What are the capital programmes and projects, and their timing?
 - What are the operational programmes and projects, and their timing?

- What is the financial impact of this response?
- 3.7. From experience, we have found that our asset management planning documents are most effective when presented clearly and concisely focusing on risks and drivers, analysis and options, and our response. Overly lengthy and detailed documents can be counterproductive. Therefore, we aim to keep detailed descriptions of assets, processes, and procedures out of the AMP where possible.
- 3.8. We remain undecided about separating the Strategic Asset Management Plan (SAMP), Asset Management Plan (AMP), and Investment and Delivery Plan (IDP), and are likely to continue presenting asset management planning in a single document for each water type.
- 3.9. We are currently transitioning our asset management planning content into an online portal and recommend that the Commerce Commission allow for content to be submitted in this format.
- 3.10. Our asset management staff have reviewed each clause in Schedule C and provided more detailed feedback in the submission template document attached.

Financial information

- 3.11. **Capital expenditure** – we suggest the proposed capital expenditure (Capex) categories need further refinement in both definition and structure.
- 3.12. We highlighted that capacity upgrades should not be defined solely as growth-related; they are often driven by level of service requirements and should be broadened accordingly.
- 3.13. We suggest the level of service categories could be simplified into three groups: capacity, regulatory, and other. Separating costs into environmental and resilience categories is challenging, as many projects have multiple drivers.
- 3.14. We seek clarification on the breakdown of renewals by asset type is questioned. If asset type breakdown is required, a simple split between reticulation (horizontal infrastructure) and facilities (vertical infrastructure) is suggested for consistency across all categories. We suggest that renewals could be categorised as:
- *Growth* (replacement to allow for additional capacity)
 - *Opportunistic* (replacement ahead of schedule)
 - *Planned* (replacement just before failure)
 - *Unplanned* (reactive replacement at failure)
- 3.15. We support combining certain categories, especially for level of service, which should be simplified as described above.
- 3.16. No additional categories are recommended; instead, the focus should be on minimizing and simplifying the existing ones.
- 3.17. It is suggested that reporting in the three high-level categories (growth, levels of service, renewals) should be the minimum requirement. Introducing simplified sub-categories could be considered in the future if there is a clear rationale and

benefit. We suggest that reporting for growth should identify how the income sources are attributed to capital expenditure for growth. This would allow greater clarity of how each council manages the approach that growth pays for growth, a statement supported by this government.

- 3.18. **Appropriateness and Detail of Opex Categories** - The proposed operating expenditure (Opex) categories are generally supported, but further refinement is needed in both definitions and structure:
- Inspection activities are inconsistently categorised (sometimes under 'condition and performance assessments', other times under 'planned maintenance'). It's recommended to combine these categories for clarity.
 - Predictive maintenance is considered part of planned maintenance, as it involves system data analysis and condition assessments. Combining these categories is suggested.
 - Unplanned maintenance (e.g., asset failure) should be classified as capital expenditure if it involves asset replacement. Only minor faults or component failures should be Opex. The terminology needs clarification.
 - Consequential Opex from Capex is currently managed by increasing operating budgets proportionally (e.g., due to growth) or by adding new budget items for additional processes. Disaggregating the impact of each driver is challenging.
 - Cybersecurity should be included under the IT category, as these services are bundled under a service level agreement with the parent organization, making cost separation difficult.
- 3.19. **Additional Opex Categories** – we suggest that sampling and testing, currently under a greyed-out 'compliance' category, be included as a required component. We also suggest an additional a field for 'plant operations' under network Opex.
- 3.20. **Maintenance Categories for the Water Sector** – we note inconsistencies in current definitions (e.g., valve exercising vs. hydrant inspections) and argues that a unified category would better reflect operational realities. We suggest consolidating 'condition and performance assessments', 'planned maintenance', and 'predictive maintenance' into a single 'planned maintenance' category, as these activities are often interrelated and hard to separate.
- 3.21. **Combining Categories Below a Materiality Threshold** – we support allowing regulated suppliers to combine expenditure categories if amounts are below a certain materiality threshold, especially for forecasts.
- 3.22. **Asset values** – we highlight that regulated suppliers currently do not maintain asset information at the proposed level of disaggregation (as required in B4(2)(b)(i)-(iii), B4(4), or B4(6)). To comply, suppliers would need to create new classifications in asset systems and relabel hundreds of thousands of assets, which would be costly even with automation.
- 3.23. **Financing and Funding Arrangements** – we suggest that ten-year projections should not be required, as they are already disclosed through the Water Services

Strategy. Requiring these projections would add limited value and extra workload. A more balanced approach would be to require projections only when there is a material variation from the Water Services Strategy.

- 3.24. Clauses 4.8 to 4.10 relating to Development Contributions (DCs) should be aligned with the general use and purpose of DCs in the Local Government (Water Services) Act 2025.
- 3.25. **Related Party Disclosures** –we request clarification of the definition of arm’s length terms and the level of disaggregation expected for disclosure of transactions which are not at arm’s length.
- 3.26. The definition in 1.6 of the determination is subjective. It is not clear how this applies to costs and revenues between a territorial local authority’s water services business unit and other activities of the Council which provide services to the internal business unit (for example an internal business unit which acts as a contractor to the Water Services business unit).
- 3.27. We caution against requiring public reporting of highly granular pricing information. This will disadvantage Council Controlled Organisations or internal business units’ who act as a contractor to a water services business unit. This is because their confidential pricing information may be made publicly available. Where they provide services to external parties they will be at a commercial disadvantage to competitors. The same applies to CCO, where they may obtain service (albeit ringfenced) from a Local Authority.
- 3.28. **Separate reporting and assurance over identified errors** – the requirement to disclose errors identified in previous information under clause 2.9 of the determination and procure an assurance report add significant additional compliance cost. The timeframe to do this within seven months of identifying the error will in many cases coincide with the timing of the following year’s information disclosure. We suggest where this is required this disclosure is included and assured in the following year’s information disclosure.

Implementation Settings

- 3.29. We support efforts to ensure ID requirements are cost-effective and wish to highlight the additional costs involved in meeting these obligations—especially alongside existing legislative and regulatory reporting duties, at a time of heightened scrutiny on local government finances.
- 3.30. Over the long term, if current ID requirements are found to be ineffective, we recommend that any proposed changes be discussed with the sector in advance to ensure their potential implications are fully understood.
- 3.31. We support the proposed staged approach to introducing ID requirements that will help ease the regulatory burden during the transition to establishing the Council’s In-house Business Unit.

4. Summary of Position and Recommendations

- 4.1. We stress the importance of clarity and relevance in reporting requirements and recommend that some financial projections only be required when there are material changes from existing strategies. The submission also notes that revenue categories are appropriately defined and that necessary information for revenue disclosure is available but calls for further guidance and simplification in several areas of the proposed framework.
- 4.2. **Asset Management Disclosures** - We support the proposed categorisation of asset management disclosures into basic and additional elements, recognising the transitional nature of the current regulatory environment. The exclusion of most additional disclosures at this stage is appropriate, with the exception of clause C9, which we recommend retaining due to its value in highlighting the role and limitations of asset data systems.
- 4.3. **Financial Information Disclosures** - We recommend refining capital and operating expenditure categories to better reflect service realities and simplify definitions. Specifically:
- Capacity upgrades should not be defined solely as growth-related.
 - Level of service categories could be simplified into three groups: capacity, regulatory, and other.
 - Renewals should be categorised as opportunistic, planned, or unplanned, with a simplified asset type split between reticulation and facilities.
 - Combining categories below a materiality threshold is supported to reduce reporting burden.
- 4.4. We caution against requiring highly granular asset value breakdowns, which would be costly and impractical. For financing and funding arrangements, we recommend limiting ten-year projections to instances of material variation from the Water Services Strategy.
- 4.5. For related party transactions we request clarification of the definition of arm's length terms and the level of disaggregation expected for disclosures of transactions which are not at arm's length. We caution against requiring public reporting of highly granular pricing information. This may disadvantage Council Controlled Organisations or internal business units who provide external contracting services, whose pricing information could be made publicly available, where competitors are not.
- 4.6. We suggest amendment to the requirement for separate disclosure and assurance over identified errors. We have suggested this is disclosed and assured in the following annual disclosures to reduce compliance cost and achieve the same disclosure objectives.
- 4.7. We also suggest other disclosure changes including changes in frequency of disclosure for alignment with other external reporting processes and to reduce compliance cost.
- 4.8. **Implementation Settings** - We support a staged approach to implementing Information Disclosure requirements to ensure cost-effectiveness and reduce regulatory burden, particularly during the transition to the Council's In-house Business Unit. We also highlight the need to consider the cumulative impact of new reporting obligations alongside existing legislative requirements.

Our contact for service and questions is Sylvia Docherty – Policy & Corporate Planning Team Leader ([REDACTED] or [REDACTED]).

Yours faithfully



Jeff Millward
Chief Executive
Waimakariri District Council

Information Disclosure for Water Services

Submission Template

Our draft decision package for information disclosure in the water sector can be found [here](#).
Submissions are due by **5pm on 20 October 2025**.

Submitter details

Organisation or individual name: Waimakariri District Council		
Confidentiality status of submission (tick either option):	This is a public submission that does NOT contain confidential information, and I consent to it being published on the Commerce Commission website.	☒
	This is a confidential submission that contains confidential information highlighted yellow.	☐
Reasons for any confidential information: Not applicable		

Section 1: Feedback on Draft Regulatory Framework Paper

This document can be found [here](#). Please insert more rows if necessary.

	Paragraph #(s)	Feedback	Suggested changes (if any)	Reason(s)
1	77	We wish to emphasise the additional costs incurred in providing ID, which come on top of existing legislative and regulatory reporting obligations—at a time when scrutiny of local government finances is increasing.		
2	78	We support the efforts to ensure ID requirements are cost-effective.		
3	89	If it is determined that current ID requirements are not effective, we recommend that any proposed changes be discussed with the sector to ensure potential implications are fully understood.		

Section 2: Feedback on proposed ID requirements

Draft Determination

The Draft Determination can be found [here](#).

As outlined in the 'How to have your say' section of the Draft Decision Summary, to make more targeted feedback easier, we have grouped our proposed ID requirements into two categories in the Draft Determination:

- > **Basic disclosures**—information that we think is essential to support a basic understanding of our initial focus areas (asset management, financial sustainability and ring-fencing), and to identify issues that may need further scrutiny.
- > **Additional disclosures** (shaded grey)—information that would provide deeper insight. We will consider not including these in our first set of ID requirements (and potentially introducing them later as sector capability improves), only applying them to certain regulated suppliers where needed, or giving all or some regulated suppliers more time to comply (eg, a delayed start). We are interested in your views on these options.

We are also particularly interested in your feedback on:

- > **High-cost requirements**—which specific ID requirements would be costly to comply with, and why? If possible, please provide an indicative scale of effort and cost. Is there similar information that would be less costly to disclose?
- > **Tailored requirements**—are there any specific ID requirements that should only apply to certain regulated suppliers? If so, which requirements, which regulated suppliers (based on scale, complexity or the risks they manage) and why?
- > **Delayed implementation**—are there any specific ID requirements that should have a delayed start date? Why?
- > **Value to stakeholders**—how would consumers, councils and other stakeholders use the disclosed information and are there any gaps that would be worth including new ID requirements on now or in the future?
- > **Reporting frequency**—are there any ID requirements that we should change the reporting frequency of (for example, reporting annually compared to only if there is a material change) and why?
- > **Efficiency**—are there any ID requirements that we could remove because the information is already readily available to stakeholders (eg, through another reporting requirement) or where we could better align with existing practices?

Please provide this feedback, and any other feedback on the Draft Determination, in the table below. Please insert more rows if necessary.

No.	Clause #(s)	Feedback (eg, costs, tailored or delayed implementation, value to stakeholders, reporting frequency, efficiency)	Suggested changes (if any)	Reason(s)
1.	C3 (1)	Requiring annual disclosure of 10-year forecast information would impose a significant cost burden. This is especially notable given that a comprehensive 10-year forecast is already disclosed every three years, alongside annual budget reporting.	Remove the requirement for 10-year forecast	Based on current experience, developing a Long-Term Plan is an intensive process that now spans approximately 18 months. Repeating this annually would likely prevent regulated suppliers from producing meaningful information without incurring substantial costs. A full 10-year forecast, along with financial strategies, is already provided every three years.
	C3 (2) (4)	The separate reporting and assurance over errors will add additional time and cost, which may be borne by users of water services.	We suggest amendment for this to be disclosed in the following year, rather than requiring separate reporting and assurance. If the Commission were primarily concerned with the timing of errors, we note the seven-month timeframe to disclose and assure would in many cases coincide with the following years annual disclosure.	This provides the same information and assurance to users/ stakeholders for a lower cost.
	C4 (6)	Disclosure of dividend policy is irrelevant to regulated suppliers who have implemented an internal business unit for water services,	Amend the disclosure wording so it is not required for territorial local authorities who have elected to have an internal business unit for water services.	Simplify disclosure requirements.

No.	Clause #(s)	Feedback (eg, costs, tailored or delayed implementation, value to stakeholders, reporting frequency, efficiency)	Suggested changes (if any)	Reason(s)
	C6 (21)	Coincide frequency of disclosure to water services providers fixed asset revaluation cycles. Provide a two-tiered approach on a consistent basis for comparability in non-revaluation years.	Amend to provide a two-tiered option for disclosure of replacement costs. In a revaluation year, require disclosure of information consistent with per 6.21. In a non-revaluation year, require disclosure of information in 6.21 using the most recent valuation, inflated by a prescribed index (e.g. LGCI, BERL).	This will provide comparability of information whilst achieving better cost efficiency of supplying it. This will also align the information with financial reporting and valuation processes.
	C6 (27)	For related party transactions we request clarification of the definition of arm's length terms and the level of disaggregation expected for disclosure of transactions which are not at arm's length. The definition in 1.6 of the determination is subjective. It is not clear how this applies to costs and revenues between a territorial local authority's water services business unit and other activities of the Council which provide services to the internal business unit (for example an internal business unit which acts as a contractor to the Water Services business unit). We caution against requiring public reporting of highly granular pricing information.	We suggest clarification is provided on the disclosure required. We support disclosure being required at a sufficiently aggregated level to protect the competitiveness of Council Controlled Organisations and other activities of Council who provide services to water services internal business units.	This will disadvantage Council Controlled Organisations or internal business units' who act as a contractor to a water services business unit. This is because their confidential pricing information may be made publicly available. Where they provide services to external parties they will be at a commercial disadvantage to their competitors.

No.	Clause #(s)	Feedback (eg, costs, tailored or delayed implementation, value to stakeholders, reporting frequency, efficiency)	Suggested changes (if any)	Reason(s)
2.	C7 (1) (a)	The level of detail required in specifying consumers should be clarified. We assume that this is consumer type cohort level rather than at an individual consumer level.	Clarify that this applies to consumer types.	We do not expect we need to list who the individual consumers are in an AMP.
3.	C7 (2) (3) (4) and (5)	We generally avoid overloading our asset management plans with descriptions of processes and practices, and consider it is better to just provide the data, analysis and response.	Consider removing the requirement for describing processes and procedures	Time consuming to produce, hard to keep up to date, creates a bloated AMP. Better kept to an internal policy/procedure document
4.	C7 (3)	Most suppliers would be able to provide some form of consumer satisfaction data/performance measure.	Consider including some basic consumer satisfaction data points as basic disclosure	It would be valuable to stakeholders to include
5.	C8 (2) (a)	Would an interactive portal to an online map would be acceptable?	Confirm that online interactive maps would be acceptable.	AMP are now becoming more interactive report published online, rather than static PDF reports.
6.	C8 (2) (b) (i)	The level of detail required in specifying critical assets needs to be clarified. We assume that this is for each critical asset type or cohort rather for each critical asset as currently stated.	Clarify that this applies to critical asset types.	We do not consider it necessary to list every individual critical asset within an Asset Management Plan, nor to provide a detailed description and justification for each. The focus should remain on demonstrating how critical assets are identified and managed, rather than cataloguing them individually.
7.	C8 (2) (b) (ii)	The likelihood of failure should be considered separately from criticality.	Remove reference to likelihood of failure. Change to “(for example, the consequences of failure, including the availability of redundancy or backup systems)”	More precise language Criticality typically reflects the consequences of failure, which may be influenced by factors such as asset redundancy and service impact.

No.	Clause #(s)	Feedback (eg, costs, tailored or delayed implementation, value to stakeholders, reporting frequency, efficiency)	Suggested changes (if any)	Reason(s)
8.	C8 (2) (b) (iii)	This should be about how criticality influences risk mitigation decision-making, which is effectively the same as what's being asked for under C8 (2) (c)	Combine C8 (2) (b) (iii) with C8 (2) (c) and state more simply that it's about how criticality influences risk mitigation decision making	More precise language. More meaningful and clear for readers.
9.	C9	The AMP should include statements or commentary that outline how asset data systems support asset management planning. It should also highlight the key challenges and opportunities associated with the current state of these systems.	Aspects of this should be a basic requirement.	Useful to identify areas where asset data system improvements can be made.
10.	C10 (3)	The Commission could provide some common categories that performance targets fall under.		For consistency across AMPs
11.	C10 (4)	Could be simpler and just a reference to objectives for each KPI.	Change to just requiring a reference to objectives for each KPI.	Streamlined for clarity
12.	C11 (1) (a) (b) (c) (d) and (e)	The requirement to describe processes and procedures provides too much unnecessary detail. We generally avoid overloading our plans with detailed descriptions of processes and practices, preferring instead to provide the relevant data, analysis, and our planned response.	A simpler approach could focus on presenting the facts around current and future demand changes and associated risks. Remove the requirement for describing processes and procedures.	Processes and practices are better kept to an internal policy/procedure document. Focus the AMP on the data and analysis
13.	C11(1)(a)	The level of detail required in specifying utilisation, capacity and demand should be clarified. We assume that this is at a network level rather than at an individual asset level as currently stated.	Clarify that this applies to network assessments.	We do not expect we need to outline for each asset how we assess utilisation, capacity and demand should be clarified in an AMP.
14.	C11 (2) (3) (4)	A full breakdown of all issues and options relating to every possible service improvement is too much detail for an AMP and should be captured in separate internal decision-making documents.	AMP focus should be on the current and future level of service challenges, summary of	Streamline the AMP documents, allowing for reference to other supporting documents/decision-making.

No.	Clause #(s)	Feedback (eg, costs, tailored or delayed implementation, value to stakeholders, reporting frequency, efficiency)	Suggested changes (if any)	Reason(s)
			data and analysis, and summary of preferred initiatives.	These requirements could be streamlined. We should instead be presenting the current and future level of service drivers, any supporting data, the analysis of risks and opportunities, and a summary of preferred responses.
15.	C13 (a) (b)	We would welcome a more clearly defined approach to non-network assets, with greater specificity to support a consistent industry-wide framework. At a minimum, this should include consideration of risk—through both likelihood (e.g., asset condition) and consequence of failure (e.g., criticality)—as well as emerging challenges related to levels of service, growth, and operational and maintenance insights. Detailed asset descriptions appear unnecessary; referencing major assets or asset types should be sufficient	There is an opportunity to better develop and refine the guidance around non-network assets to provide clearer leadership and direction for industry-wide approaches. A more structured framework would support greater consistency and confidence in how these assets are managed and reported.	Asset descriptions are best maintained within asset registers, where detailed information can be appropriately managed. Similarly, documentation of processes and practices is more suitably housed in internal policy or procedure documents, rather than within the AMP.
16.	C15 (1) (2)	We have some concerns that limited asset management resources may be diverted toward maturity assessments at the expense of implementing practical improvements. We would support a more standardised approach to maturity assessments across the industry, ideally alternating between more comprehensive evaluations and lighter 'check-ins' to maintain benchmarking value while improving efficiency.		Making sure AM resources are focussed on what will make the most difference, and value for consumers.
17.	C15 (3)	We're interested in how a dedicated section on innovation practices will be implemented in practice. There's a risk it could lead to token efforts or innovation for its own sake, rather than being meaningfully		Avoiding innovation for innovations sake, or token innovation checklists.

No.	Clause #(s)	Feedback (eg, costs, tailored or delayed implementation, value to stakeholders, reporting frequency, efficiency)	Suggested changes (if any)	Reason(s)
		integrated into core asset management practices and driven by identified needs.		

Answer on question in Draft Decision Summary on support for implementation

The Draft Decision Summary paper can be found [here](#).

As outlined in the 'How to have your say' section of the Draft Decision Summary Paper, we are particularly interested in your feedback on what we can do to support regulated suppliers as we implement ID for the water sector.

Draft Decision Summary - Support

What type of support would most help regulated suppliers comply with our ID requirements, and why?

We support the proposed staged approach to introducing Information Disclosure requirements, as it helps ease the regulatory burden on suppliers during a period of transition to new operating models and supporting systems.

In our feedback on Section 2, we have highlighted the importance of ensuring clarity and relevance in the use of information for Asset Management Plans.

Answers to the questions set out in the Explanatory Paper

The Explanatory Paper can be found [here](#).

Explanatory paper – Financial questions

Capital expenditure: Capital expenditure is to be reported in specified categories

1. Do you think the proposed categories are appropriately defined and sufficiently detailed to capture the key aspects of regulated suppliers' capex? If not, what changes to the definitions do you think we should make, and why?

We believe the proposed expenditure categories require further refinement in both definition and structure, as outlined below:

- **Capacity upgrades** are currently defined as growth-related only, whereas they are often driven by level of service requirements. This definition should be broadened to reflect actual practice.
- **Level of service categories** could be simplified into three core groups: capacity, regulatory, and other. Separating costs into environmental and resilience categories may prove challenging, as many projects have multiple drivers (e.g., a new pipe may address both capacity and resilience).
- It is unclear why **renewals** are broken down by asset type, while growth and level of service are not. We suggest categorising renewals into:
 - *Opportunistic* (replacement ahead of schedule),
 - *Planned* (replacement just before failure), and
 - *Unplanned* (reactive replacement at failure).
- If capital expenditure must be broken down by asset type, a simple split between **reticulation (horizontal infrastructure)** and **facilities (vertical infrastructure)** could be applied consistently across growth, level of service, and renewals.

2. Do you think there are instances where multiple categories should be combined into one? If so, which categories, and why?

Yes, particularly for level of services, which we suggest is simplified, see question 1 response above.

3. Do you think we should add any additional categories of capital expenditure? If so, what and why?

No, we suggest these are minimised and simplified.

4. Do you think certain regulated suppliers should only need to report expenditure in the high-level categories—growth, levels of service, and renewals? If so, please explain.

This should be considered a minimum requirement. Introducing simplified sub-categories under the three high-level categories could be explored in the future, provided there is a clear rationale and demonstrated benefit.

Capital expenditure: Capital expenditure on network assets must be apportioned between categories

5. Do you consider this approach (apportionment of expenditure) to be practical and implementable? If not, please explain the specific challenges regulated suppliers may face in complying with this requirement, including the likely cost of any required changes to regulated suppliers' existing practices, and any potential difficulties in auditing the information. We also welcome suggestions for alternative approaches that could provide adequate transparency of regulated suppliers' capital expenditure.

See responses to earlier questions in this section.

Capital expenditure: Capital expenditure components

6. Will there be regulated suppliers reporting under the for-profit accounting standards? If so, which ones?

No comment.

Operating expenditure: Operating expenditure is to be reported within specified categories

7. Do you think the categories are appropriately defined and sufficiently detailed to capture the key aspects of regulated suppliers' opex? If not, what changes to the definitions do you think we should make, and why?

Generally, we agree with the proposed categories; however, we believe further refinement is needed in both definitions and structure, as outlined below:

- **Inspection activities** are inconsistently categorised—some are treated as 'condition and performance assessments', while others (e.g., critical asset inspections) fall under 'planned maintenance'. We recommend combining these categories, as detailed in our response to Question 9.
- **Predictive maintenance** in our practice involves system data analysis and condition assessments to determine maintenance needs. We consider this part of our planned maintenance programme and, as above, suggest combining the categories as outlined in our response to Question 9.
- **Unplanned maintenance** is currently defined as expenditure related to asset failure (e.g., pump failure). We believe such failures should be recorded as capital expenditure, as they involve asset replacement. Minor faults or component failures may be treated as operating expenditure, but not full asset failures. We recommend clarifying the terminology in this definition.
- Regarding **consequential operating expenditure driven by capital expenditure**, we currently account for this in two ways:
 - Through growth, where operating budgets are proportionally increased based on set factors (e.g., increased electricity costs due to higher flows from population growth), or
 - By adding new budget items for additional processes (e.g., UV treatment plants), which scale over time.Disaggregating the proportional impact of each driver would be challenging.
- We suggest that **cybersecurity** be included under the IT category. These services, including cybersecurity, are provided by our parent organisation under a service level agreement, making it difficult to separate out individual costs.

8. Do you think we should add any additional categories of operating expenditure? If so, what and why?

Consideration should be given to adding an additional field under network operating expenditure (Opex) for 'plant operations'. Additionally, sampling and testing—currently listed under the greyed-out 'compliance' category—should be included as a required component.

9. Do you think the proposed maintenance categories (planned, predictive, unplanned) are appropriate for the water sector and can they be reported on? If not, what changes should we make, and why? What, if any, additional costs would this reporting impose on regulated suppliers?

We believe that 'condition and performance assessments', 'planned maintenance', and 'predictive maintenance' should be consolidated into a single category: 'planned maintenance'. In practice, these activities are often interrelated and difficult to separate. For example, jetting of pipework is typically carried out alongside CCTV inspections. Additionally, there are inconsistencies in the current definitions—for instance, valve exercising is classified as 'planned maintenance', while hydrant inspections, which involve similar activities such as valve exercising and flow testing, are categorised as 'condition and performance assessments'. A unified category would better reflect operational realities and improve consistency.

10. Do you think there are categories of expenditure that regulated suppliers should be able to combine if the amounts are below a certain materiality threshold, particularly for expenditure forecasts? If so, what would be an appropriate materiality threshold, and why?

Yes, this would make sense.

Expenditure on changes to entities: This expense component is intended to capture capex and opex relating to the transfer of water services to a new or different entity

11. Do you think the 'expenditure on changes to entities' category is adequately defined to capture the range of costs regulated suppliers will incur? If not, what changes do you think we should make, and why?

This information could be appropriately captured under clauses 6 (9) and 6 (10); therefore, a separate clause is not necessary.

12. Do you see any practical challenges involved in preparing, or auditing the disclosure of 'expenditure on changes to entities'? If so, please explain these and how we might change the proposed requirement to address these.

There may be some ambiguity around whether expenditure related to exploring changes to entities—where those changes are not ultimately implemented—is captured. It's unclear whether the term 'developing' refers exclusively to changes that are carried through to implementation. Clarification on this point would be helpful.

Asset values: Information about asset values and movements in asset values will be required in the financial statements in regulated suppliers' water services annual reports, for specified network asset classes

13. To what extent do regulated suppliers currently maintain the necessary asset information at the proposed level of disaggregation?

Information is not captured currently to be able to meet the disaggregation in B4(2)(b)(i)-(iii), B4(4), or B4(6)

14. If regulated suppliers do not already maintain the necessary asset information, what would be involved in changing the way asset information is recorded in order to comply with the proposed ID requirements, and what is the likely cost of these changes?

Capturing this information would require the creation of new classifications within asset systems and the re-labelling of each asset accordingly. Given that the number of recorded assets is in the hundreds of thousands, this would represent a significant cost—even with some level of automation.

Actual revenue and other income: We are proposing regulated suppliers' actual revenue and other income is reported within specified categories

15. Do you think the proposed revenue and other income categories are appropriately defined and sufficiently detailed to capture the range of regulated suppliers' revenue sources associated with regulated services? If not, what changes to the definitions or level of detail do you think we should make, and why?

Revenue categories are appropriately defined.

Actual revenue and other income: Regulated suppliers would be required to disclose detailed information about revenue from usage charges and rates

16. Do regulated suppliers currently maintain the necessary information to support detailed disclosure of revenue from usage charges and rates? What, if any, additional costs would this reporting impose on regulated suppliers?

Necessary information for revenue disclosure is available

17. For regulated suppliers operating under a split decision-making model, is the proposed detailed disclosure of revenue from usage charges and rates workable, given collaboration with related organisations (eg, shareholding Councils) may be required to complete a consolidated disclosure, where water services are funded from rates? If not, what changes should we make, and why?

No comment.

Financing and funding arrangements

18. Do you think that the disclosure requirements relating to financing and funding arrangements could be reduced or streamlined while still providing sufficient information for stakeholders to understand the financial sustainability of the regulated supplier? If so, what changes to the disclosure requirements do you think we should make, and why?

Ten-year projections should not be required, as they are already disclosed through the Water Services Strategy. Introducing this requirement would add limited value while creating additional workload. A more balanced approach could be to require these projections only where a material variation from the Water Services Strategy has occurred or is proposed.

Pricing: Regulated suppliers would be required to disclose information about all charges, including non-standard charges and charges with small numbers of customers

19. Do you have concerns about the proposed requirement to disclose information about non-standard charges and charges applied to a small customer base, because of commercial sensitivity? If so, please describe the nature of your concerns.

No comment.

Financial sustainability indicators

20. Do you think it would be beneficial to also require any of the financial sustainability indicator forecasts to be reported in real terms. If so, which indicators and why?

No comment.

Revenue and funding indicators: Ratio of cost of water services as a proportion of household income

21. Is there also non-residential data (instead of just household income) that you think we should require to create a similar but non-residential indicator? If so, which data?

No comment.

22. Do you think the measure expressing water service charges as a percentage of household income should also be reported using alternative income thresholds, such as the lowest decile (10th percentile) or the lowest quartile of household income, in addition to the median? If so, which thresholds?

No comment.

Explanatory paper – Implementation settings questions

Director's certification

23. Do you think there are specific disclosure areas where the proposed ID requirements for assurance may not be necessary or may not provide additional value relative to the cost and effort it would take to implement?

If so, please explain your reasons including specific challenges in complying with these requirements such as likely cost of any required changes to regulated suppliers' existing practices and how we might change the proposed requirement(s) to address these.

No comment.

24. We also invite comment on the appropriateness of the proposed certification criteria for the matters being certified, including whether the criteria are fit for purpose and aligned with the type of information being disclosed and certified.

No comment.

25. Do you think there are particular types of disclosures where Chief Executive level certification would be more appropriate than what we are currently proposing?

If so, please outline which disclosures would benefit from this approach and why, and describe any challenges regulated suppliers might face in meeting our proposed requirement (such as likely cost of any required changes to regulated suppliers' existing practices) that could be better addressed through this level of certification.

No comment.

What can be kept confidential: Commission-only disclosures

26. Are there other types of information proposed for public disclosure that you think should be disclosed to the Commission on a Commission-only basis because they are confidential, commercially sensitive or only relevant for compliance monitoring?

If there are, please say what those types of information should be and explain why these should be disclosed to the Commission only.

No comment.

Geographic disaggregation

27. Do you prefer either Alternative 1 or Alternative 2 to the proposed ID requirement? If so, which alternative do you prefer, and why?

No comment.

Other comments

In this section you can provide any general or specific comments you may have on our draft decision, that may not be covered by the previous sections above. We ask that you please reference the appropriate document, section and/or page number where possible.

Other comments