

Commerce Commission
Te Komihana Tauhokohoko

wai@comcom.govt.nz

Submission on ‘Economic regulation of Tiaki Wai – Consultation on additional information disclosure requirements

Tēnā koutou,

Thank you for the opportunity to provide feedback on the Commerce Commission’s consultation on economic regulation for Tiaki Wai. We welcome the Commission stepping up its oversight role as economic regulator under the Local Government (Water Services) Act 2025 and consider this oversight critical to ensuring water services are delivered in a way that is transparent, efficient, affordable, and reliable for customers.

Earlier disclosure of planning documents

We support the Commission’s proposal to require earlier disclosure of key planning documents.

Earlier disclosure of key asset planning and investment information, and other core planning documents will materially improve transparency and accountability. It will enable:

- Shareholding councils and the public to better understand planned expenditure and service outcomes
- More informed scrutiny of assumptions and choices
- Earlier identification of risks and delivery challenges

We consider that early disclosure is consistent with the intent of information disclosure regulation as a core tool to “shine a light” on performance and promote accountability.

Asset management improvement plans

We also support the inclusion of asset management improvement plans within the regulatory framework and strongly support a requirement for independent verification.

- Given the known issues with asset condition data, historic underinvestment, and capability gaps, independent assurance will be important to provide confidence in the quality and maturity of asset management practice, and ensure that improvement plans are credible, prioritised, and deliverable.

We consider that independent verification should be undertaken by appropriately qualified third parties and reported publicly alongside improvement plans.

Tiaki Wai will be inheriting less than ideal systems and processes from Wellington Water. We acknowledge that Tiaki Wai are already working on improved asset management practices and that these improvements will not be in place on 1 July 2026 or soon after. We recommend that the Commerce Commission acknowledge the in-flight work in this area and set realistic timeframes for Tiaki Wai to have asset management improvement plans in place.

Deliverability assessments

We strongly support the introduction of deliverability assessments, including independent verification of forecast operating and capital expenditure.

This has been a consistent line of enquiry from Wellington region's shareholding councils and reflects a core concern: whether planned investment programmes are realistic, sequenced appropriately, and supported by sufficient delivery capability.

We consider this a critical transparency mechanism to ensure that:

- Forecast programmes are achievable within workforce, supply chain, and funding constraints
- Cost assumptions are robust
- There is no unnecessary or avoidable burden placed on ratepayers and water consumers

Independent verification of both operating and capital expenditure forecasts would provide confidence that planned expenditure reflects work that is necessary and avoids unnecessary cost impacts on customers.

We would further support the Commerce Commission working alongside Tiaki Wai to strengthen planning and forecasting practices as this would go some way to avoiding further costs that will ultimately be passed on to customers.

Independent assurance for major investments

We also ask that the Commerce Commission also requires independent verification of major investment business cases, as these sit underneath and underpin planned operating and capital expenditure.

This is particularly important for large, strategic investments such as water metering programmes and other region-wide initiatives, where costs are borne directly by households and businesses, and where robust scrutiny is needed to ensure investment decisions deliver value for money.

While we note that the current framework focuses on information disclosure and performance requirements, we consider that requiring independent assurance of significant investment proposals would strengthen confidence that:

- Projects are justified on a robust cost–benefit basis
- Options have been appropriately assessed
- Investment decisions are consistent with efficient outcomes

Balancing increased visibility and cost impacts to ratepayers

The need for improved assurance across Tiaki Wai's investment programme is strongly supported by Wellington City Council, however this must be balanced with ensuring there is value for money from all independent assessments to ensure cost impacts on the customer are minimized. We therefore request that the Commerce Commission works to ensure that appropriate guard rails are in place to support where and how independent assessments are deployed and that *customer* value for money is always a key consideration.

Regular reporting and monitoring

We support the proposal for regular (including quarterly) reporting on delivery progress, network performance, and service outcomes. We would expect reports to be provided to the Tiaki Wai Partners Committee and published in a timely manner on Tiaki Wai website.

Ultimately, we request that the Commerce Commission seeks to introduce a reporting and monitoring regime that maximises transparency and is provided in a manner that supports understanding and engagement from the wider Wellington community.

The Watercare reporting approach would appear to provide the Commerce Commission with a solid foundation to inform a Tiaki Wai framework. With this in mind, in addition to reporting against key operating targets related to delivering safe and reliable three water services, and reporting on detailed financial performance reporting typical for an organization of the size and scale of Tiaki Wai, Wellington City Council encourages the Commerce Commission to consider the following three priority areas defined in Watercare's reporting:

- Priority 2: Renewing, building and maintaining infrastructure
- Priority 3: Efficient service and infrastructure delivery
- Priority 6: Embedding a sustainable financial model

We also believe there is value in Tiaki Wai publishing key sub contractor reports in the same vein as Watercare.

We note that the Commerce Commission is proposing monitoring and reporting across potable water and wastewater services. Integrated long term planning for integrated stormwater management has for a long time now lagged behind planning for potable and wastewater. Without increased oversight and reporting we are concerned that this trend will continue.

We request that the Commerce Commission also looks to introduce monitoring and reporting across stormwater services.

The April 2026 storm event that impacted the Wellington metropolitan region caused significant damage to property, resulted in many displaced families and sadly a loss of life. The costs to recover from this event are significant for both families and councils alike.

Price Regulation Powers

Ratepayers and residents across New Zealand are under significant pressure with high cost of living charges that extend well beyond the mandate of councils.

Whilst Watercare has specific provisions in legislation that do not apply to other water organisations such as Tiaki Wai, we believe it is essential that Wellington residents and ratepayers benefit from price-quality regulation in line with what is required of Watercare.

We note that the Commission's mandate as economic regulator for water services provides for additional tools including price-quality regulation.

Wellington City Council notes that whilst price-quality regulation is outside the scope of this consultation, we request that the Commission seeks the approval of Minister of Commerce and Consumer Affairs to introduce price-quality regulation which would enable the Commission to "set ... maximum prices", and that this is sought as a matter of priority.

Summary

Overall, we strongly support the direction of travel set out in the Commission's consultation. We look forward to continued engagement as the regulatory framework is finalised.

Please contact Margo Ray, Programme Manager for WCC Water Reform
[REDACTED] as a first point of contact for clarification on any matters in this
submission.

Ngā mihi nui,



Margo Ray
Programme Lead, Water Reform
Wellington City Council