

20 October 2025

Commerce Commission

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## Re: Economic Regulation of Water Services – Information Disclosure (Draft Decision)

Utilities Disputes Limited | Tautohetohe Whaipainga (UDL) welcomes the opportunity to comment on the Commerce Commission's (Com Com) draft *Water Services Information Disclosure Determination 2026 (Water Det 2026)*.

UDL is New Zealand's leading provider of independent dispute resolution for consumers and providers in utilities, helping over 20,000 kiwis in the last year and we draw on this experience when commenting on *Water Det 2026*. We are the only organisation of our kind that works directly with consumers and energy, telecommunications, and water providers.<sup>1</sup>

While most of our work is with energy consumers, our voluntary water complaints scheme covers approximately 2 million households as we help resolve complaints and issues for Watercare and Wellington Water.<sup>2</sup> UDL is a not-for-profit company that follows an ombudsman type model to resolve complaints. It is free for a consumer to make a complaint to any of our complaint schemes.

An overlay of our submission is that much can be learnt from the electricity industry, as to what can be expected in terms of consumer expectations, issues, complaints, and complaint handling (see the case study in the final section). We are of the view billing issues for WSPs will be significant. Therefore, we ask Com Com to reflect on what has taken place in the electricity industry and how learning from its history can help advance the goals of the Local Water Done Well project.

Our core reflections on *Water Det 2026* are:

A. *Water Det 2026* is reviewed through these principles derived from the Local Water Done Well project:<sup>3</sup>

- Water information disclosure has a statutory consumer and community orientation.
- Water Service Providers (WSPs) and the regulator are best to focus on an outward decision-making framework focused on WSPs business practices, and the consumers/communities they serve.

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<sup>1</sup> UDL's voluntary telecommunications scheme is not an industry dispute resolution scheme under part 7 of the Telecommunications Act 2001. At present it has one member.

<sup>2</sup> Milford Sound Infrastructure is also a member.

<sup>3</sup> Principles not exhaustive of the Local Government (Water Services) Act 2025 (Loc Wat Act 2025).

- Business efficiency and consumer/community considerations are not opposites. A piecemeal approach to information disclosure will likely lead to greater costs, as embedded systems require adjustment
- *Water Det 2026* will have procedural ramifications, however more importantly it will create substantive expectations of WSPs. Information disclosure will drive a WSP's business activity, consumer outreach, and data collection. It will set the tone for WSP development and shape the focus of a WSP.

B. We welcome and affirm this statement from Com Com that consumer perspectives are intrinsic to the management decisions of WSPs:

Another important aspect of asset management is whether—and if so, how—consumer perspectives are incorporated into decision-making processes, including how engagement activities and complaints analysis inform asset management practices and help address competing interests.<sup>4</sup>

C. The consumer clauses of *Water Det 2026*, identified in grey by Com Com, should not be removed or delayed (see summary chart page 8). Instead, we recommend Com Com emphasise that its regulatory approach will be one of encouragement and assistance to satisfy the disclosure obligations. This approach is consistent with the legislative intent that disclosure be the “key tool” of oversight.<sup>5</sup> If the clauses are softened or removed it will give the signal the consumer/community viewpoint is of lesser regulatory interest, than other aspects of water information disclosure.

D. UDL particularly affirms the importance of early information disclosure of a WSP's:

- Billing information
- Complaints data and complaints processes (see also Appendix A).
- Data Information System
- Consumer/community outreach
- Hardship management
- Water restriction practices and application

E. UDL, has significant experience in resolving billing complaints and systemic issues. We strongly recommend Com Com issues or facilitate a consumer code or guidelines to manage WSP billing issues and ensure there are consistent and fair processes for water consumers. Without a guideline/code there is a risk that consumers will receive insufficient billing and fee information and may receive large back bills. UDL has played a key role in the proposed changes that have been announced in energy to standardise billing and cap back bills at six months. It is much harder to make these changes retrospectively. Guidance and codes will help WSPs consider billing complaints efficiently and prevent complaints. WSPs will also save significant costs, as billing requirements can

<sup>4</sup> Com Com, *Information Disclosure for Water Service, Explanatory Paper*, 11 September 2025, para 2.81.

<sup>5</sup> See *Local Government (Water Services) Bill*, Explanatory Note, 10 December 2024.

be incorporated straight away into new or revised data information systems. UDL is prepared to share its data, categorisation methodology and the work it has done with energy providers and the Electricity Authority (EA) to assist with any initiative in this area.

F. WSPs and regulators of water have a unique opportunity to learn from some of the significant issues that have affected energy consumers in the last five years. Imposing information requirements in key areas can focus WSPs attention and prevent some of the mistakes we see in energy rather than repeating them. Electricity regulation is a helpful case study for understanding the future development of WSPs. Learning from this history will assist with accelerating the progress of WSPs:

- In electricity the 1998 separation of retailing and distributing, coupled with the market reforms of this period, are analogous to the reforms of the Local Water Done Well project. Especially the requirement WSPs are to act in accord with sound business practices and provide water services that meet consumer expectations.<sup>6</sup>
- The recent historical record in electricity shows a commitment to the business model but also the need for some regulatory encouragement of competition, and consumer protection.<sup>7</sup>
- In complaints there has been a gradual shift from providers considering matters in-house, to the voluntary Electricity Complaints Commission Scheme of 2001 (gas was included in 2005), and the mandatory Energy Complaints Scheme instituted by the Electricity Industry Act 2010.<sup>8</sup> That some consumer protection is required is not surprising. Electricity as with gas and water has the quality of a public good, in that basic living is difficult without access to these utilities. A sign of the public quality of these goods and services is that these industries have rules concerning the public's disconnection from these utilities, and/or the disconnection of vulnerable consumers from them.
- The Australian experience of having one complaint handler for water and energy, and our own complaints work indicates that water complaints will be 10% of energy complaints. UDL's electricity and gas complaints are predicted to rise to just under 13,000. This figure is not the total number of complaints in the energy industry, as most complaints are resolved with the provider, and no contact is made with UDL. Research by UDL and the New Zealand Institute of Economic Research suggests around 10% of consumers with a complaint against their utility company come to UDL.<sup>9</sup>
- Billing and customer service are key drivers in complaints. When WSPs start charging for water, it is expected these categories will form the major percentage of complaints for water.
- Managing debt and customer hardship effectively and compassionately will be one of the key aspects of WSPs services. This includes the application of water restrictions for customer debt.

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<sup>6</sup> See s 17 Loc Wat Act 2025.

<sup>7</sup> See for a useful snapshot absent recent events, MBIE, *Chronology of New Zealand Market Reform*, August 2015, [report](#).

<sup>8</sup> Ibid.

<sup>9</sup> See also NZIER (report for UDL), *Independent Costs Benefits Analysis of Dispute Resolution*, 12 November 2024, at table 10 [here](#)

Failures in this area will have significant impacts on consumers and the entire water sector. It is comparable to disconnections in energy and oversight via information disclosure is vital.

- To respond to these complaints effectively, it will be important for WSPs to be outward focused and responsive to consumers and have fit for purpose internal complaints processes. Excellent billing practices and systems will be needed.
- The historical record of energy also suggests that if local water is to be done well, information disclosure is unlikely to be sufficient. Therefore, the further consumer protection levers in part 4A of the Commerce Act 1986, may need to be considered.
- It is unlikely that water will be the exception to electricity, gas, telecommunications, banking, and groceries. WSPs will soon require some help from an external dispute's resolution service. Such are the complexities of providing utilities and public orientated goods and services.
- The acknowledgement of the need for an external dispute resolution service will not be a sign of failure. It will be an acknowledgement that present day consumer protection, especially of the vulnerable, requires that there be an external dispute resolution provider to ensure the supply of essential goods and services to the public. An external dispute resolution scheme will be both a cost-effective safety-net, but also a knowledge hub for the regulator and WSPs. It will ensure the efficient management of the most difficult complaints, and that processes of water delivery are responsive, almost in real time, to the concerns of the consumer, and their communities.

We have chosen not to repeat in detail many elements of our previous submissions on water and consumer protection. However, UDL's submission should be read in conjunction with these submissions.<sup>10</sup>

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<sup>10</sup> This submission builds on previous submissions by UDL including: Finance Expenditure Committee, *Local Government (Water Services) Bill*, 21 February 2025, [sub](#); *Economic Regulation of Water Services – Information Disclosure*, 26 March 2025, [sub](#); *Foundational Information Disclosure* Wellington 27 June 2027, [sub](#).

## Submission - Local Government (Water Services) Bill

UDL in its role as a major New Zealand industry complaint handler and against the consumer purpose of water information disclosure makes its submission.

### ■ Information Disclosure to Consumers/Communities

The Local Water Done Well project marks a new beginning for WSPs. A core statutory purpose of the Local Water Done Well project is to ensure:

...that information about providing water services, including information relating to revenue, **charging**, expenditure, and **levels of service**, is **transparent for consumers and communities**.<sup>11</sup>

The Local Water Done Well project brings about a statutory regime where consumers and communities will be able to assess the performance of their WSP through robust information disclosure.

The Local Government (Water Services) Act 2025 (Loc Wat Act 2025) also sets out these characteristics of a WSP:<sup>12</sup>

- a. WSPs are to act in accord with sound business practices;
- b. water services are to be of a quality that meets consumer expectations;
- c. efficiency gains are to be shared with consumers, including when setting charges for water services; and
- d. WSPs are to act in the best interests of current and future consumers.<sup>13</sup>

These consumer focussed attributes, coupled with information disclosure, will ensure WSPs are not closed off from the community they serve. Consumers through quality information disclosure will be able to assess WSP performance, expenditure, service, revenue and charging.

Businesses who have no local competition are at risk of adopting a monopoly model of outreach.<sup>14</sup> However under the Local Water Done Well project, and its disclosure requirements this model is not open to WSPs. The Loc Wat Act 2025 affirms that an outwardly engaged approach is to be as an ongoing one for a WSP. It mandates an ongoing WSP strategy of consumer engagement:

*A water organisation must adopt a significance and engagement policy setting out the following: the organisation's general approach to engaging with consumers and communities, including the*

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<sup>11</sup> Loc Wat Act 2025, s 3 (emphasis added).

<sup>12</sup> List not exhaustive.

<sup>13</sup> See Loc Wat Act 2025 s 17; see also s 232 re Water Service Strategy, and s 243 re Annual Report.

<sup>14</sup> That monopolies can struggle to be responsive to consumers is seen in this summary of research about complaint handling compiled by Society of Consumer Affairs Professionals Australia (SOCAP): "The literature also suggests that organisations with little competition such as monopolies, are slow to respond to complaints. This is because these organisations have a lower customer- orientation due to the inability of the customer to exit the relationship and the absence of market forces (in the form of lost market share) indicating to the organisation that service improvements are required." SOCAP, *Return on Investment of Effective Complaints Management: Public Sector Organisations*, (Research team - University of Newcastle) June 2020, para 4.2 (textual citations not included).

*circumstances in which engagement will be undertaken by— (i) the organisation; or (ii) the organisation’s shareholders:*<sup>15</sup>

- **Consumer/Community Orientated Information Disclosure**

Com Com is therefore encouraged to take a robust approach to consumer/community orientated water information disclosure.

While *Water Det 2026* will have procedural ramifications, more importantly it will create substantive expectations of WSPs. Information disclosure will drive business activity, consumer outreach, and data collection. Com Com’s information disclosure requirements will set the tone and shape of the WSP’s business practices from the outset. The importance of information disclosure was highlighted at the introduction of the Local Government (Water Services) Bill, where it is said information disclosure is the “key tool” of oversight.<sup>16</sup> It is important then that Com Com’s first steps are not missteps.

We have already advised Com Com that changes in electricity data collection come with costs, as changes are made to already embedded systems.<sup>17</sup> In the words of one retailer such late changes lead to technical debt. Piecemeal changes respond to an immediate problem; however the lack of an overall plan means there is a risk that such amendments are not cost effective.<sup>18</sup> The retailer noted: “...each change necessitates significant technical and operational system changes to the way retailers store, retrieve, use and export data.”<sup>19</sup>

Louise Dudley, CEO of Urban Utilities Queensland (2012-2022), the keynote presenter at the *10th IWA Aspire Conference and Water New Zealand Conference and Expo (Pre-Conference)*, also advised water providers that, if she could rewind the clock, she would at the beginning of her term as CEO have brought online a new data management system. She encouraged the new WSPs to think about this in their planning.<sup>20</sup> As stated above, UDL is prepared to share the work it has done in this area to identify consistent data collection categories for utility complaints, drawing on the data published by utility ombudsman and dispute organisations in New Zealand, Australia and the UK (see also Appendix A).

These examples illustrate the importance of first steps for the life of the WSPs including those shaped by the regulator, and that business efficiency and consumer/community considerations are not opposites (see *Loc Wat Act 2025* s 17). Pro-active consumer/community orientated information disclosure is likely to be cost-effective and lead to outward thinking WSPs, responsive to the needs of their community.

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<sup>15</sup> *Loc Wat Act 2025*, s 35(1)(c).

<sup>16</sup> See *Local Government (Water Services) Bill*, Explanatory Note, 10 December 2024.

<sup>17</sup> See *Economic Regulation of Water Services – Information Disclosure*, 3.

<sup>18</sup> Mercury, *Improving Retail market Monitoring: Amended Information Notice and Updated Analysis*, 22 October 2024, 2.

<sup>19</sup> *Ibid.*, 1.

<sup>20</sup> Louise Dudley, “Sharing my Lived Experience as CEO from Urban Utilities Queensland,” 29 September 2025, Christchurch, *10th IWA Aspire Conference and Water New Zealand Conference and Expo (Pre-Conference)*.

## ■ Water Disclosure: A Set of Principles

UDL reviews the draft *Water Det 2026* through these principles set out in the first two sections:<sup>21</sup>

- Water information disclosure has a statutory consumer and community orientation.
- WSPs and the regulator are best to focus on an outward decision-making framework focused on WSPs business practices, and the consumers/communities they serve.
- Business efficiency and consumer/community considerations are not opposites. A piecemeal approach to information disclosure will likely lead to greater costs, as embedded systems require adjustment
- Water Det 2026 will have procedural ramifications, however more importantly it will create substantive expectations of WSPs. Information disclosure will drive a WSP's business activity, consumer outreach, and data collection. It will set the tone for WSP development and shape the focus of a WSP.

## ■ Com Com: The Consumer Viewpoint

Com Com has not broken down its disclosure principles this way.<sup>22</sup> However, UDL is pleased to note that Com Com acknowledges the importance of the statutory consumer/community viewpoint in water disclosure as follows:

*Another important aspect of asset management is whether—and if so, how—**consumer perspectives are incorporated into decision-making processes**, including how engagement activities and complaints analysis inform asset management practices and help address competing interests.*<sup>23</sup>

## ■ Water Disclosure: Consumer/Community Clauses

Com Com requests that submitters focus on the clauses highlighted in grey in *Water Det 2026*:

*We are considering, and consulting on, whether it would be better to treat some or all of the grey-shaded ('additional') disclosure requirements differently in our final determination. This could involve:*

- **removing** the requirement(s) in our final determination. We could potentially introduce them later as sector capability improves.
- including the requirement(s) but **delaying** the start date, or
- only applying the requirement(s) to **some** regulated suppliers.

*We are particularly interested in submissions that provide views and evidence relating to these decisions.*<sup>24</sup>

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<sup>21</sup> Principles not exhaustive of the Loc Wat Act 2025.

<sup>22</sup> Understandably Com Com in the materials focus on its information disclosure powers under part 4 of the Commerce Act 1986.

<sup>23</sup> Com Com, *Information Disclosure for Water Service, Explanatory Paper*, 11 September 2025, para 2.81 (emphasis not in the original).

<sup>24</sup> Com Com, webpage “Economic Regulation of Water Services – Information Disclosure”, accessed 15 Oct 2025 (emphasis in original).

Most of the consumer/community orientated water disclosure requirements appear in the asset enhancement section and are in grey. Asset enhancement has a defined meaning and includes customer service and complaints processes.<sup>25</sup> Here is a summary of some of the more significant and explicit consumer clauses in *Water Det 2026*:<sup>26</sup>

Clause	Colour	Object of the Clause (brief summary )
2.7	Clear	Requirement of document retention.
6.1 -6.3	Clear	Public disclosure of charges, total amount, rate of charge.
B1 - B. 3	Gey	Expenditure categories which include/take into account connection and consumer categories, consumer queries, call centres, human resources, staff training, consumer education, direct billing, network expansion, and customer levels of service,
B4	Clear	
C3	Grey	Strategic asset management plan (SAP) <sup>27</sup> should include perspective of consumers.
C4	Grey	Metering strategy may include rationale for not metering specific consumer groups,
C5	Gey	SAP should include how consistency with Treaty settlement obligations has been achieved.
C7	Clear	Asset management plan (AMP) must set out: who consumers are, consumers who may have an impact on operations.
C7(2)-	Grey	AMP must specify how: a) consumer expectations are identified, met and have shaped the plan; b) processes for measuring consumer satisfaction; c) consumer satisfaction and complaint data are used to inform operational management practices; d) customer service practices including call centre services provided; e) approach to planning and managing customer complaint resolution; f) managing the connection process in light of consumer's needs.
C9	Grey	AMP musts set out data management systems used, and if they are appropriate.
C 10	Gey	The AMP must: a) set out performance indicators that show levels of – consumer satisfaction, responsiveness to complaints, and communication effectiveness; b) service accessibility across different consumer groups and geographical areas; and c) whether performance indicators reflect consumer expectations.
C11	Clear	The AMP must set out how asset improvement: a) relates to any Treaty settlement obligation; and b) any level of service the improvement relates.
C15	Grey	The AMP must set out any innovative practices undertaken.
C17	Clear	The investment and delivery plan (IDP), whether investment delivery has been influenced by community engagement.
Timing	30 June 2027 <sup>28</sup>	

<sup>25</sup> “We have used the term asset enhancement in the AMP, this term is used nationally in other infrastructure regulation and internationally in the water sector to describe what the New Zealand water sector has traditionally referred to as demand, growth and levels of service. It refers to activities that increase the value, capacity or performance of assets, including physical improvements (such as capacity upgrades or extensions to networks), operational improvements (such as demand management, efficiency gains), sustainability enhancements (such as resilience, climate adaptation) and service-level improvements (reliability, quality, accessibility).” *Information Disclosure for Water Service, Explanatory Paper*, para 2.62.

<sup>26</sup> This is a snapshot only, some information disclosure requirements will assist the consumer, even though they are not directly noted in a clause.

<sup>27</sup> For definitions of SAP, AMP, and IDP see cls 3.4-3.6.

<sup>28</sup> See *Information Disclosure for Water Service, Explanatory Paper*, Schedule A, A4- A6. See also cl 1.4 for role of schedules in *Water Det 2026*.



#### ▪ *Complaints Data*

UDL supports the above proposals, and in particular clause C7, which addresses complaint handling.

We do not repeat many of the elements of our previous submissions to Com Com and others, which deal specifically with information disclosure and complaints. Therefore, this submission should be read in conjunction with these submissions which set out the importance of early complaint disclosure across a number of uniform data points such as (however see Appendix A):

- number of complaints,
- subject matter of complaints,
- number of complaint staff and their training,
- a standardised format for recording the outcome of complaints, including the level of consumer satisfaction with the outcome; and
- standardized definition of data points, such as defining what a complaint is.<sup>29</sup>

#### ▪ *Billing Data*

UDL supports the disclosure requirements about charges and rates for reasons that are set out more fully below in the electricity case study.

Billing is a consistent driver of consumer complaints, and UDL predicts once WSPs start charging for water consumption there will be a steady increase in complaints. Issues of billing information, back billing, and/or issues around actual and estimated reads will need be considered and dealt with by competent staff. Although staff will attempt to be helpful, a proportion of these complaints will include a customer service element.<sup>30</sup>

The EA responding to the concerns of UDL and consumer organisations is proposing to make changes to the information that is required to be placed on bills. It is proposing standardised information and capping the length of a back bill at six months.<sup>31</sup> Com Com should be considering this level of standardisation and regulation for water in our view.

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<sup>29</sup> UDL including: Finance Expenditure Committee, Local Government (Water Services) Bill, 21 February 2025, [sub](#); Com Com, Economic Regulation of Water Services – Information Disclosure, 26 March 2025, [sub](#); Com Com, *Foundational Information Disclosure Wellington* 27 June 2027, [sub](#).

<sup>30</sup> For example, of the escalation that can occur, UDL advised the Electricity Authority (EA) in relation to Smart meter complaints: “UDL received 98 complaints in 2022 about Smart meters, 154 in 2023 and 161 in 2024. The top three issues within these complaints were billing (about 94%), high bills (84%), and customer service (45%). Most of these complaints are successfully resolved by the retailer after referral. Sometimes it is specifically alleged a meter is not communicating properly. This affects billing, and a retailer may have to rely for a period on estimated reads. This can lead to bill shock, when a consumer receives a large back bill based on actual reads. UDL therefore recommends that it be compulsory for a bill to identify when consumption data is based on estimated; and/or actual reads.” UDL, *Improving Pricing Plan Options for Consumer Time-Varying Retail Pricing for Electricity Consumption and Supply*, 26 March 2025, pg. 6, [sub](#).

<sup>31</sup> See UDL, *Improving Pricing Plan Options for Consumer Time-Varying Retail Pricing for Electricity Consumption and Supply*, 26 March 2025, pg. 7; *Consultation Paper – Evolving Multiple Retailing and Switching*, 29 July 2025, pg. 9; *Enabling Consumer Mobility by Improving Access to Electricity Product Data*, 12 August 2025, 8; Hon Simon Watts,

Getting the broad disclosure settings right from the outset will be paramount, and much of the information will need to be disclosed to the customer on their bills. UDL has also raised with the EA concerns about distributors and the manner in which their fees are itemised and broken down.<sup>32</sup> Such issues are also to be expected with water.

Therefore, learning from electricity, billing issues are likely to arise for WSPs almost immediately.<sup>33</sup> Therefore some form of consumer code/guideline or Com Com Service Quality Code is required in the short term to manage these issues. The guidance/code will help WSPs consider billing complaints efficiently. WSPs will also save costs as billing requirements can be introduced at the outset into the WSP's new or revised data information systems.

- *Hardship and Water Restrictions*

WSPs should also be required to disclose how they are managing customer debt, hardship and if and how water restrictions are being applied.

The Water Services Act 2021 provides that a drinking water supplier may restrict supply due to unpaid bills<sup>34</sup> but must continue to provide a sufficient quantity of drinking water to support ordinary drinking water and sanitary needs. The Local Government Act 2002 also confirms that water supply is able to be restricted due to non-payment, so long as it does not create unsanitary conditions.<sup>35</sup> Watercare has terms and conditions in its customer contract to confirm its practice.<sup>36</sup> It also has a priority assistance service to provide extra support. This should be standard practice to ensure water restrictions are applied fairly and as a last resort.

In Australia<sup>37</sup> water is usually not disconnected because of the impact on public health. However, water can be restricted to allow only a very limited flow to the property. Unlike electricity and gas, water suppliers are not required to follow a legislated notification schedule. Sydney Water and Hunter Water, are examples of providers who address this issue through a clear policy and will notify customers in writing of a disconnection and may attempt to contact the consumer by phone before the water is restricted.<sup>38</sup>

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*Letter of Expectation for the Electricity Authority, 2025-2026*, pg. 2; EA, *Consumer Mobility Roadmap*, July -Dec 2025; and Frontier Economics, *Review of Electricity Market Performance*, 23 May 2025, 9, 75-77, 81, & 85; and EA, *Improving Electricity Billing in New Zealand*, 8 October 2025.

<sup>32</sup> See UDL, Consultation Papers: Distribution Connection Pricing & Network Connections pricing, 20 December 2024, 3. See also Case Study ["Incorrect Charges"](#).

<sup>33</sup> See ss 57 ZE-ZF Commerce Act 1986.

<sup>34</sup> See s 25(7) Water Services Act 2021.

<sup>35</sup> See s 193(1)(c) Local Government Act 2002.

<sup>36</sup> See cl 3.2 of Watercare's terms and conditions, [available here](#)

<sup>37</sup> In the EU disconnections it seems are allowed if consumers do not pay their bills. In some member States they are not allowed for main residences (Austria, France, Hungary, Ireland, UK, Belgium.) In Hungary and Switzerland, only restriction is allowed. Disconnection rates are varying between 0,1% and 2%, they are generally below 1% of the total connections (this includes second houses, shops and industries) per year. See EurEau, *Access to Water and Measures in Case of Non-Payment*, 26 August 2016. At time of writing UDL could not locate an updated summary.

<sup>38</sup> See [Hunter Water Policy](#) and [Sydney Water Policy - Overdue Payments](#)

In the UK a water company is not allowed to disconnect the water supply to a home simply because of unpaid bills.<sup>39</sup> Disconnection appears permitted in very limited circumstances, such as for commercial properties or where there is a risk to health or safety due to misuse of the water system.

UDL does a significant amount of work with consumers and providers who are dealing with issues that can result in disconnection of electricity. It is inevitable, in our view, that many of these issues will be replicated in the water sector and work needs to happen now to ensure disconnections are proactively managed. As with billing information, disclosure, guidance and/or codes about when a consumer's water can be restricted will ensure the consumer is protected and there appears little value in delaying the implementation of such regulatory tools. Clear expectations both for the consumer and WSPs will ensure complaints are efficiently and fairly considered.

- *Data Management System*

A principle of this submission is that information disclosure is not only procedural issue, but a substantive one. Information requested will drive business change. However equally key is the ability to collect that information. We noted Louise Dudley, CEO of Urban Utilities Queensland, advised water providers to think carefully early on about the data management system they will need. Com Com will also be aware that the issue of data quality and an adequate data management system has been an issue for Wellington Water, and new systems are or have been considered.<sup>40</sup>

Good data collection helps deliver services on time, enables easy budget review and monitoring, but also is a tool that can identify systematic issues, both what is working well, and what can be improved. Good data collection helps resolve complaints efficiently, as with fulsome data retention it can be easily discovered what happened and when, when rates changed, what was conveyed to the consumer.

Therefore, UDL supports information disclosure about a WSP's data information management system. We think this issue may be more significant for the compilation of disclosure information, complaint management, and the business change required by the Local Water Done Well project than is realised.<sup>41</sup> For these same reasons UDL also supports Com Com's view that data should be held for a moderate to a lengthy period.

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<sup>39</sup> See Water Industry Act 1999, sch 1.

<sup>40</sup> See for example PWC, *Wellington Water Limited (Internal Audit Report)*, November 2021, 4-6, and Wellington Water, *Culture and Value for Money Improvement Plan Actions*, Outcome 1, Objective 1.1a.

<sup>41</sup> For a report highlighting the importance of good complaint management processes see, Society of Consumer Affairs Professionals (SOCAP), *Return on Investment of Effective Complaints Management*, March 2018, Research team - University of Newcastle.

- *Consumer/Community Contact*

UDL strongly recommends the outreach clauses to the community be included in *Water Det 2026*, and the mechanisms for measuring consumer satisfaction be retained. Such early outreach will ensure the consumer viewpoint is included within the planning of the WSP.<sup>42</sup>

- *Timing: In the Grey*

UDL strongly recommends Com Com reflect on the timing and wording of the data disclosure requirements identified in the summary chart. Each of the clauses makes real the consumer/community orientated information disclosure demanded by the Local Water Done Well project.

Grey, signalling the provisional nature of these clauses, is prominent. It is not clear any delay, even the removal of these clauses,<sup>43</sup> will help consumer perspectives be incorporated into decision-making processes of the new WSPs.<sup>44</sup> Even more so considering the reporting requirements, even if accepted, appear to extend till 2027. The removal or softening of the clauses would do little to promote the outward decision-making framework required of WSPs. There is the danger of seeing these clauses “as things to be done” which can be delayed, rather than processes which inform.

Clause C7, for example, in grey, sets out disclosure information about complaints, this clause is vitally important to encourage fit for purpose complaint handling. Complaints as the Australian Commonwealth Ombudsman (ACO) observes which are a: “...valuable source of intelligence and offer agencies a unique perspective on what is and what is not working within their programs and services.”<sup>45</sup>

The benefits of fit for purpose complaint handling and data collection are numerous including: organisational improvement; identification of trends; and increased customer satisfaction, with responsive complaint handling maintaining consumer goodwill.<sup>46</sup> For WSPs being monopolies complaint handling is then not an endpoint, but a process data point, any delay of disclosure requirements appears short-sighted.<sup>47</sup>

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<sup>42</sup> WSPs will have to establish various relationships with the community in forms of outreach and care. As an example note the relationship between Water and the Water Utility Consumer Assistance Trust, in terms of educating and assisting customers in financial difficulty: [WUCAT website](#) Requiring WSPs to disclose these relationships and processes will be a good indicator of how WSPs are managing consumer outreach and consumers who are experiencing financial difficulty.

<sup>43</sup> See Com Com, webpage “Economic Regulation of Water Services – Information Disclosure”.

<sup>44</sup> Com Com, *Information Disclosure for Water Service, Explanatory Paper*, 11 September 2025, para 2.81.

<sup>45</sup> See Commonwealth Ombudsman, *Lessons in Good Complaint Handling, Findings from the 2010 Complaint Assurance Project*, Feb 2020, 22.

<sup>46</sup> See SOCAP, *Return on Investment of Effective Complaints Management: Public Sector Organisations*, June 2020, Research team - University of Newcastle, 14, 40-43.

<sup>47</sup> The ACO further observes: “It is good practice for an agency’s senior management to receive regular reports on its complaint handling performance and trends in complaint data. This kind of reporting provides valuable business intelligence and can enable the executive to respond proactively to potentially systemic issues.” *Lessons in Good Complaint Handling*, 23.

UDL recommends instead of softening or removing such clauses that Com Com instead emphasise that its regulatory approach, at least in the first stages of application, will be one of encouragement and assistance to meet or satisfy the disclosure obligations. This approach is consistent with the legislative intent that disclosure be the “key tool” of oversight.<sup>48</sup> If the clauses are softened or removed it will give the signal the consumer/community viewpoint is of lesser regulatory interest, than other aspects of water information disclosure.

- *A Case Study: Electricity*

The Local Water Done Well project marks a significant step for water regulation. Electricity has made similar regulatory steps, learning from this history will accelerate the development of WSPs.

- *Historical Snapshot*

The 1998 separation of retailing and distributing and the market reforms of this period, are analogous to the reforms of the Local Water Done Well. Especially the requirement WSPs are to act in accord with sound business practices and provide water services that meet consumer expectations.<sup>49</sup> The historical record shows a commitment to the business model but also the need for some regulatory encouragement of competition and consumer protection.<sup>50</sup> In complaints there has been a gradual shift from providers considering matters in-house, to the voluntary Electricity Complaints Commission Scheme of 2001 (gas was included in 2005), and the mandatory Energy Complaints Scheme instituted by the Electricity Industry Act 2010.<sup>51</sup> That some consumer protection is required is not surprising. Electricity, as with gas and water has the quality of a public good, in that basic living is difficult without access to it. Therefore, traditionally with such utilities there are restrictions on disconnections.<sup>52</sup>

The history of consumer codes has also developed over time. The Electricity Complaints Commission had its own code for providers, which had some consumer care elements. In 2021 the EA published the Consumer Care Guidelines, and these were replaced this year with the Consumer Care Obligations.

- *Water and Energy*

The Australian experience illustrates the links between water and electricity, where water and energy complaints are often decided by the same mandated complaints scheme. Of the Australian schemes that consider both water and energy complaints, we see water complaints make up between 3 and 24.3% of total complaints. Estimating the number of complaints that may arise in New Zealand/ Aotearoa is difficult, however given this analysis and our experience

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<sup>48</sup> See *Local Government (Water Services) Bill*, Explanatory Note, 10 December 2024.

<sup>49</sup> See s 17 Loc Wat Act 2025.

<sup>50</sup> See for a useful snapshot absent recent events, MBIE, *Chronology of New Zealand Market Reform*, August 2015, [report](#).

<sup>51</sup> Ibid.

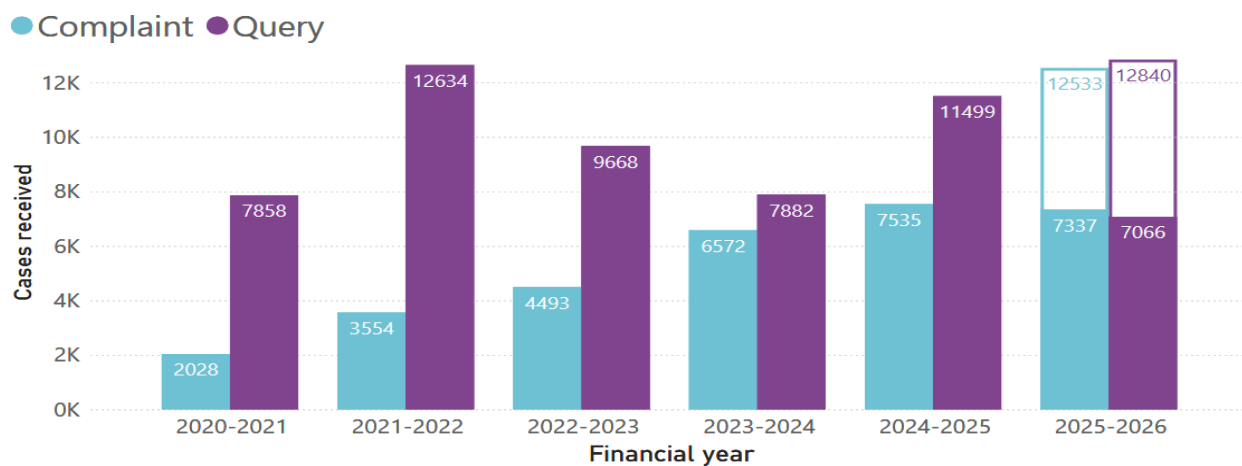
<sup>52</sup> See for water s 25 Water Service Act 2021.

of complaint handling, we expect water complaints to make up around 10% of the total volume of electricity, gas and water complaints.<sup>53</sup>

- *Statistics*

UDL’s Energy Complaints Scheme is projected to receive about 13,000 complaints this year. This would amount to approximately 1,300 water complaints. However, this figure represents the number of complaints that would reach an external complaint handler, not the actual number of water complaints. The complaints that UDL receives are only those that have led the consumer to contact UDL, not those that have been resolved by the provider at the first instance:

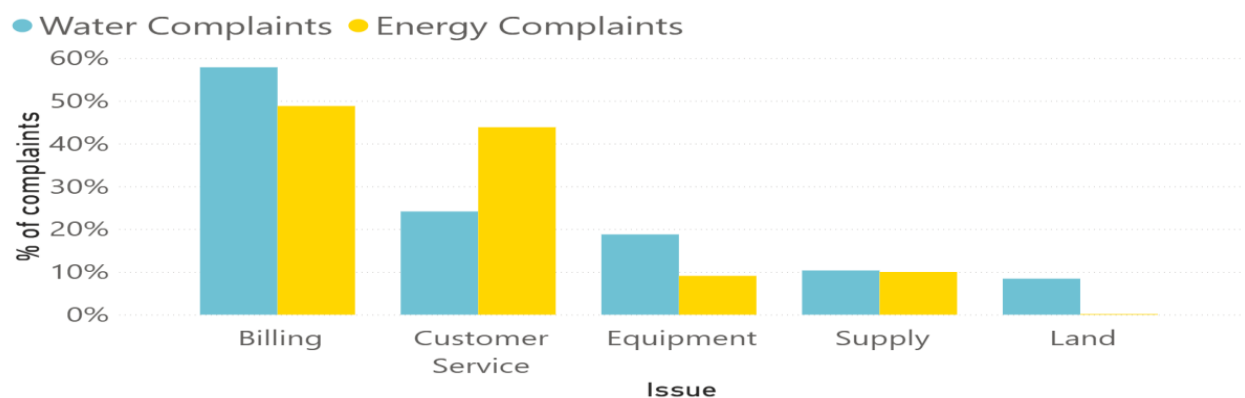
### Complaints and Queries received in the energy scheme (with projection)



Complaint issues between water and electricity similarly track with billing and customer service being dominant:

### Percentage of complaints involving different issues

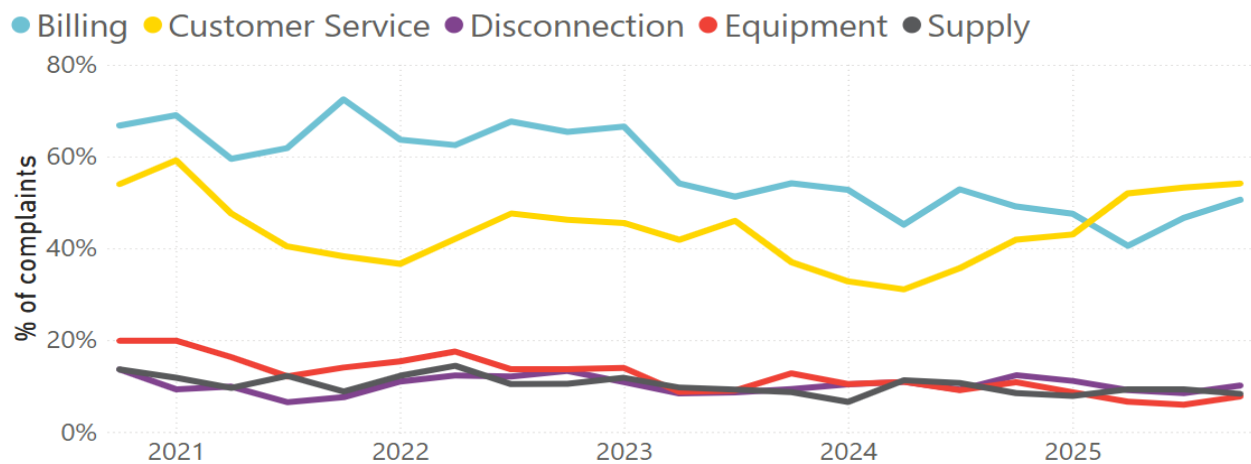
from 01 Jan 2023 to 20 Oct 2025



<sup>53</sup> The figure of 10% could be higher as New Zealanders adjust to the reality of water meters, WSPs, billing and rising costs.

The Energy Complaints Scheme has also seen an increase in customer service complaints, with complaints about service exceeding billing for the first time. We think this increase may be due partly due to the disruption of some retailers exiting the sector, increased automation which is not yet mature enough to respond to consumers in a timely way and an increase in consumer cost of living concerns:

### Percentage of energy complaints involving different issues over time



#### ■ Back to the Future?

There is no reason to suspect that water will be different than energy in terms of the issues of concern to consumers, including billing and customer service.

Key to responding to these concerns will be robust processes of data collection, consumer outreach, adequate data management systems, and complaints systems. Water information disclosure is a regulatory driver to bring about this consumer/community focus. Therefore, if Com Com were to take a light touch to the introduction of the consumer/community clauses, it is not clear how this would advance the statutory vision of the Local Water Done Well project.

The historical record of energy also suggests that if Local Water is to be done well, information disclosure is unlikely to be sufficient. The consumer protection levers in part 4A of the Commerce Act 1986, may need to be considered. Some guideline/code or Com Com service quality code, as noted above, is required to set out expectations about WSP billing, fees, and disconnections.

Almost two decades passed before the electricity industry moved from a voluntary to mandatory external complaints scheme. The high cost of living, and resultant hard review of household budgets, means to successfully manage their complaints WSPs will need to be outward focused and responsive. Indeed, this is the culture that Local Water Done Well sets for WSPs.

However, it is unlikely that water will be the exception to electricity, gas, telecommunications, banking, and groceries. WSPs will soon require some help from an external disputes resolution service. Such are the complexities of providing utilities the acknowledgement of this would not be a sign of failure. It will be an acknowledgement that present day consumer protection, especially of the vulnerable, requires that there be an external dispute resolution provider to ensure the supply of essential goods and services to the public. An external dispute resolution scheme will be both a cost-effective safety-net, but also a knowledge hub for the regulator and WSPs. It will ensure the efficient management of the most difficult complaints, and that processes of water delivery are responsive, almost in real time, to the concerns of the consumer, and their communities.<sup>54</sup>

### Next Steps

Thank you for the opportunity to comment on the *Water Det 2026*. If you have any questions, please at the first instance contact me at: [paulb@udl.co.nz](mailto:paulb@udl.co.nz)



Paul Byers  
Legal and Policy Officer

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<sup>54</sup> In water regulatory news we note the recent move by the UK Government to plan for and establish a Water Ombudsman.



## Appendix A

We recommended the following framework for data collection in relation to complaint handling:<sup>55</sup>

<b>Number of Complaints</b>	To enable quality statistics on the number of complaints, an adequate definition of complaint is required. The Australian and New Zealand Standard is an: “an expression of dissatisfaction”. <sup>56</sup> A clear universally adopted definition prevents complaints from disappearing into other categories such as queries, feedback, or points to be noted. <sup>57</sup>
<b>Nature of those Complaints</b>	A universal classification system of complaints is necessary to ensure a meaningful comparison of services. The Commission is encouraged to work with WSPs to identify a list of complaint categories that are broad enough not to be onerous but meaningful enough to identify the subject matter of the complaint.
<b>Timing for Resolution</b>	Resolution times matched with the subject matter of a complaint will identify where the difficult complaints are. Such data can then be used to work out new strategies to manage these complaints and shorten resolution times.
<b>Staffing</b>	The number of complaints staff employed by a provider and their training. This statistic gives insight into the resources a WSP is investing in complaints compared to the size of their customer base and the number of complaints it receives.

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<sup>55</sup> Chart in this form from. UDL, *Economic Regulation of Water Services – Information Disclosure*, 2-3.

<sup>56</sup> See *Guidelines for Complaint Management in Organisations*, AS/NZS 10002, 4.2 (in force in New Zealand).

<sup>57</sup> See SOCAP, *Return on Investment of Effective Complaints Management: Public Sector Organisations*, 30-31.