Manawatu Water Services Committee

Meeting of 004 - 12/08/2026: Manawatu Water Services Committee

Business Unit: Infrastructure
Date Created: July 29, 2026

Information Disclosures to Commerce Commission

Purpose Te Aronga o te Pūrongo

The purpose of this report is to advise the Manawatū Waters Committee of the first information disclosures completed for Manawatū Water under the Commerce Commission's new economic regulation framework.

The report presents the three disclosures lodged on 1 August 2026 relating to dividends, funding growth, and water services fees and charges.

Recommendations Ngā Tūtohinga

That the Manawatū Waters Committee receives and notes the following information disclosures lodged on behalf of Manawatū Water on 1 August 2026:

- Statement on Dividends Policy;
- Statement on Funding Growth Policies; and
- Fees and Charges Information Disclosure.

Report prepared by:
Lara Blackmore
Project Initiation Manager

Approved for submission by:
Hamish Waugh
General Manager Infrastructure

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1 Background Ngā Kōrero o Muri

1.1 The Water Services Information Disclosure Determination 2026 was issued by the Commerce Commission under section 52P of the Commerce Act 1986 and came into force on 27 February 2026. It applies to regulated suppliers of drinking water and wastewater services and requires them to make specified financial, pricing, investment, asset management and service delivery information publicly available.

1.2 Information disclosure regulation is intended to improve transparency and enable customers, communities, elected members and the Commerce Commission to better understand how water services are funded, managed and delivered. It also provides a consistent information base that can be used to assess supplier performance over time and compare approaches across the water services sector.

1.3 The Determination introduces the disclosure requirements progressively. The three disclosures addressed by this report form part of the initial occasional disclosure requirements under Part 4 of the Determination:

- clause 4.6 — Dividends policy;
- clause 4.7 — Policy for funding growth; and
- clauses 4.8 to 4.10 — Information about charges and Infrastructure Funding and Financing levies.

1.4 Officers prepared the disclosures using Council's existing governance, financial, policy and charging information. The disclosures were certified by the Mayor, as a member of Council's governing body, and the Chief Executive before being lodged and made publicly available.

2 Strategic Fit Te Tautika ki te Rautaki

2.1 Not applicable as this is a legislative item.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 <u>Regulatory requirements</u>

3.2 The immediate issue was to ensure that Manawatū District Council, as the regulated supplier operating through Manawatū Water, complied with the initial information disclosure requirements. The disclosures needed to:

- accurately reflect Council's in-house water services delivery model;
- use information drawn from Council's approved policies, plans, bylaws, fees and financial systems;
- be clear and accessible to customers and the wider community;
- meet the specific content requirements of the Determination; and
- be appropriately certified and retained as part of Council's regulatory records.

3.3 The three completed disclosures are outlined below.

3.4 Statement on Dividends Policy

3.5 Clause 4.6 requires a regulated supplier to disclose its dividends policy or, where it does not have one, make a statement to that effect.

3.6 Manawatū Water operates as an in-house business unit of Manawatū District Council. It is not a separate company or council-controlled organisation, does not have shareholders or share capital, and does not distribute profits to Council through dividends.

3.7 The disclosure therefore confirms that Council does not have a dividends policy for its regulated water services and that no dividends are declared in relation to those activities. It also explains that water services revenue is managed through Council's financial planning, budgeting and funding processes and is applied to the operation, maintenance, renewal and development of water services infrastructure.

3.8 Statement on Funding Growth Policies

3.9 Clause 4.7 requires regulated suppliers to explain their approach to funding growth, the reasons for that approach, and the charges or obligations that may apply to new connections or other forms of growth. The disclosure must also address whether growth is self-funded and how mixed-purpose projects involving growth, renewal or level-of-service improvements are funded.

3.10 Council's disclosure explains that new development may require additional network capacity, upgrades to existing assets, new infrastructure, or the earlier delivery of planned capital works. Council seeks to allocate an equitable and proportionate share of these costs to the developments, properties or activities creating the additional demand.

3.11 The statement identifies the principal mechanisms available to Council:

- development contributions;
- financial contributions;
- capital contributions;
- developer-funded assets that are subsequently vested in Council; and
- government funding, grants, subsidies, developer agreements and other third-party sources.

3.12 Fees and Charges Information Disclosure

3.13 Clauses 4.8 and 4.9 require the disclosure of information about charges applying to regulated water services. This includes the name and category of each charge, whether it applies to residential or non-residential customers, the relevant geographic area, the circumstances in which it is payable, its amount or rate, and the basis on which it is calculated. Clause 4.10 applies equivalent requirements to any Infrastructure Funding and Financing levy collected by a supplier.

3.14 Officers compiled the applicable 2026/27 water supply and wastewater fees and charges into the Commerce Commission's required disclosure format. The information was drawn from Council's Annual Plan, water supply and drainage bylaws, trade waste requirements, published water supply fees and wastewater fees.

3.15 The accompanying declaration certifies that the information complies in all material respects with clauses 4.8, 4.9 and 4.10, that the historical information was properly extracted from Council's accounting and other records, and that sufficient records have been retained.

3.16 <u>Options considered</u>

3.17 The Determination creates a mandatory disclosure obligation. The option of not preparing or lodging the disclosures was therefore not considered viable, as it would have placed Council in breach of its regulatory requirements. Two broad approaches were available:

<u>Develop entirely new standalone policies and charging documents</u>

3.18 This approach was not preferred because Council already has adopted policies, plans, bylaws and financial documents that govern growth funding and fees and charges. Preparing new policies solely for disclosure purposes could create duplication or inconsistency with those existing documents.

<u>Prepare disclosure statements drawing together Council's existing arrangements</u>

3.19 This was the preferred approach. It enables Council to meet the Determination's requirements while accurately reflecting the in-house business unit model and maintaining alignment with existing Council policies and decisions.

3.20 The completed disclosures do not introduce new fees, alter Council's existing approach to funding growth, or change the financial relationship between Council and Manawatū Water. They bring together and publicly explain existing arrangements in the form required by the Commerce Commission.

4 Risk Assessment Te Arotake Tūraru

4.1 Council's Risk Management Policy identifies a Averse–Minimalist appetite for legal compliance risk, meaning Council has little or no appetite for avoidable non-compliance with legislative or regulatory requirements. The disclosures have been prepared, certified and lodged to meet the requirements of the Water Services Information Disclosure Determination 2026. Failure to provide complete, accurate and timely disclosures could expose Council to regulatory intervention and reputational harm. Ongoing processes will be required to identify changes to policies, charges and regulatory requirements and ensure future disclosures remain compliant.

5 Engagement Te Whakapānga

<u>Significance of Decision</u>

5.1 The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Māori and Cultural Engagement

5.2 There are no known cultural considerations associated with the matters addressed in this report. No specific engagement with Māori or other ethnicity groups is necessary.

Community Engagement

5.3 This report is procedural and informs the Committee of disclosures made to comply with regulatory requirements. It does not propose changes to levels of service, funding arrangements, fees or Council policy.

5.4 No specific community engagement is required for the Committee to receive and note the disclosures. The documents are publicly available through the Manawatū Water website, supporting transparency for customers and the wider community.

6 Operational Implications Ngā Pānga Whakahaere

6.1 There are no operational implications with this report.

7 Financial Implications Ngā Pānga Ahumoni

7.1 There are no financial implications with this report.

8 Statutory Requirements Ngā Here ā-Ture

8.1 Manawatū District Council is a regulated supplier of water supply and wastewater services under the Commerce Act 1986.

8.2 The Water Services Information Disclosure Determination 2026, made by the Commerce Commission under section 52P of that Act, requires regulated suppliers to publicly disclose specified information about the funding and delivery of those services. The Determination came into force on 27 February 2026.

8.3 The initial disclosure requirements relevant to this report are:

- Clause 4.6 – Dividends policy: Council must disclose its dividends policy or, where it does not have one or is not permitted to pay dividends, publish a statement to that effect.

- Clause 4.7 – Funding growth: Council must explain its approach to funding growth, the reasons for that approach, whether and how growth is self-funded, and the charges or obligations that may apply to new connections or other growth.

- Clauses 4.8 to 4.10 – Fees and charges: Council must disclose prescribed information about water supply and wastewater charges and any applicable Infrastructure Funding and Financing levies.

8.4 The disclosures must be made available free of charge on a prominent part of Council's website and provided to the Commerce Commission within five working days of publication.

8.5 Any new or amended dividends or growth-funding policy must be disclosed within 10 working days of its adoption or amendment. Changes to fees and charges will also need to be reflected through the ongoing disclosure requirements of the Determination.

9 Next Steps Te Kokenga

9.1 The following next steps are proposed:

- Retain the certified disclosures and supporting records in accordance with the Determination's record-keeping requirements.

- Incorporate future information disclosure requirements into the Manawatū Water regulatory work programme, including clear responsibilities, review dates and certification requirements.

- Review the disclosures when Council adopts new or amended relevant policies, fees or charging arrangements to ensure the published information remains current and accurate.

10 Attachments Ngā Āpitihanga

- Statement on Dividends Policy;

- Statement on Funding Growth Policies;

- Fees and Charges Information Disclosure; and

- Fees and Charges spreadsheet: Wastewater and Water Supply

  - (Link to website Documents)

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