

12 October 2025

ROA0501
MM:MR

Commerce Commission
via: wai@comcom.govt.nz

To whom it may concern,

**HORIZONS REGIONAL COUNCIL SUBMISSION – ECONOMIC REGULATION OF WATER SERVICES –
INFORMATION DISCLOSURE**

Thank you for the opportunity to submit on these proposals. Horizons Regional Council (Horizons) is the regional authority for the Manawatū-Whanganui Region, extending from south of Levin to north of Taumarunui and from Whanganui across to the east coast, covering an approximate 22,000km² in total. Horizons' responsibilities include managing the region's natural resources, flood control, monitoring air and water quality, pest control, facilitating economic growth, leading regional land transport planning and coordinating our region's response to natural disasters.

Key submission point:

Horizons seeks exemption from compliance with the Commerce Act 1986 regulation applying to water services under s57U of the Act. It is our view that the costs of complying with the disclosure requirements far exceed the benefits of the reporting, particularly given the level of duplication with our existing reporting requirements. To assist the Commission in its decision making, we have prepared two options outlining how this could occur:

Option 1 (preferred option) – full exemption, to recognise the level of reporting already undertaken for the Tōtara Reserve drinking water supply, and that the supply is a minor aspect of a water supply and is not networked.

Option 2 – partial exemption, from clauses 3.7, 4.6 to 5.4, and the additional disclosure requirements, to recognise that the supply is a minor aspect of a water service and is not networked.

Horizons as a water supplier

1. Horizons supplies drinking water to our Tōtara Reserve campground (a reserve Council owns and manages under the Reserves Act 1977). We are a water service provider under the Local Government (Water Services) Act 2025 (LGWSA) and a local government water service supplier (and consequently a regulated supplier in relation to a water service) under c2(1) of Schedule 7 of the Commerce Act 1986.
2. The water infrastructure at Tōtara Reserve is not a network and is the sole water service that Horizons provides. The number of people supplied by the drinking water supply is less than 500 at any given time, and is only a few thousand over a given year.

3. We note the key roles the commission plays include to ensure: competition in a market is not substantially lessened by the conduct of firms with substantial market power; and that consumers are protected, and clear and accurate information is provided to them¹.
4. The supply of drinking water to the campground at Tōtara Reserve does not provide Horizons with substantial market power. Furthermore, Horizons already undertakes a range of reporting to provide consumers with clear and accurate information on the supply which is, or can easily be, made publicly available on our website.
5. Tōtara Reserve is managed under the Tōtara Reserve Management Plan (prepared under s41 of the Reserves Act). We have an existing drinking water safety plan, the Tōtara Reserve Water Safety Plan, and follow annual reporting requirements in regards to quality assurance and monitoring. Drinking water is treated to the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 standard. Our drinking water infrastructure is part of our Long-term Plan process which is consulted on as required by the Local Government Act 2002. We already undertake annual reporting, including on operational and capital expenditure, as well as our Water Safety Plan Annual Report. This information is made available on our website.
6. Option 1 (preferred option – full exemption): Horizons requests an exemption from compliance with Commerce Act 1986 regulation applying to water services under s57U of the Act. It is our view that the additional administrative burden and cost of complying with the disclosure requirements far exceed the benefits of the reporting, particularly given the level of duplication with our existing reporting requirements. It would, in our view, be an inefficient use of ratepayer money.

Draft water services information disclosure determination

7. Many of the types of information described in the draft disclosure determination are already reported on by Horizons through the Totara Reserve operational planning documents. For example, capital and operating expenditure on the service, and the level of charges or revenue recovery for the service in c2.1 Information disclosure:
 - (1) *A regulated supplier must disclose the information in respect of -*
 - (a) *A water supply service if the regulated supplier makes decisions of a type described in section 57D(2)(a) or (b) of the Commerce Act in respect of the water supply service.*
8. The Tōtara Reserve campground drinking water supply, given it is not connected to a water supply network, is classed as a minor aspect of a water service under s219 of the LGWSA. As such, we are not required to produce a water services strategy, a water services annual budget, or a water services annual report.
9. Clarity is required as to how aspects of the determination are to apply to regulated suppliers that are not required to produce a water services strategy. We note that clauses 3.3 to 3.6 relate to water service strategies, for example, in c3.6 Period disclosure of investment and delivery plan:
 - (2) *A regulated supplier must disclose an investment and delivery plan, -*
 - (a) *every time a water services strategy is adopted in respect of the regulated service;*
 - and*
 - (b) *on or before the date on which the strategy is adopted.*

¹ <https://www.comcom.govt.nz/about-us/our-role/>

10. The draft determination appears convoluted in that, for example, we would not be required to produce a strategic asset management plan under c3.4, but a strategic asset management plan is part of the asset management disclosure in Schedule C, the information in which is required to be disclosed in c3.7. C1.5 (2) of the interpretation does not appear to apply here, because it is not the schedule that is inconsistent, but Part 3 itself.
11. Option 2.1 (partial exemption): If c3.7 deliberately includes the information in Schedule C, Horizons requests an exemption from this requirement, given the significant investment that would be required to produce this information, for only a small drinking water supply. There are already significant reporting requirements that apply to Tōtara Reserve, and much of the additional requirements in the draft disclosure would result in unnecessary duplication, through the creation of new plans, for little benefit.
12. Option 2.2 (partial exemption): Given the Tōtara Reserve supply is not connected to a network, many of the requirements in clauses 4.6 to 5.4 do not relate to our system. These requirements would result in an administrative burden with next to no benefit.
13. Option 2.3 (exemption from additional disclosure requirements): At a minimum, we seek exemption from the additional disclosure requirements to recognise that the Tōtara Reserve supply is a minor aspect of a water service.
14. We note that the Commission intends to develop a voluntary Excel template over the next year. We support the development of this template to assist both the regulator and the regulated. An indicative template would have been useful to support us in sizing the potential ongoing costs to comply with the disclosure determination.

Thank you again for the opportunity to submit on these proposals. We would welcome the opportunity to meet to discuss the potential implications of the determination for Horizons.

Yours sincerely,



Michael McCartney
CHIEF EXECUTIVE

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