When water reform becomes personal



Across New Zealand, a once-subtle transition from water "ratepayer" to water "customer" is rapidly becoming visible.

Many New Zealanders may not have appreciated that they were already paying for water services through rates. As new Water Services Organisations emerge, that reality is becoming more visible through new organisations, new brands, new billing arrangements and more direct conversations about affordability, service levels and investment priorities.

As the sector transitions from reform design to reform delivery, understanding how customers perceive, experience and support that transition is becoming increasingly critical to success.

Customers are part of the conversation now

The water sector has spent much of the last decade focused on governance arrangements, regulatory settings, funding models and infrastructure investment. Those conversations remain critically important as the sector addresses ageing assets, improves resilience, meets regulatory obligations and prepares for future growth.

For customers, however, water services have traditionally existed in the background. Water arrives when a tap is turned on, wastewater disappears when a toilet is flushed, and the cost of delivering those services is usually embedded within broader rates assessments.

That is beginning to change.

As new Water Services Organisations emerge, customers are increasingly seeing a direct connection between the organisation delivering the service and the charges associated with it.

This visibility is bringing customers closer to decisions about service levels, infrastructure investment and future priorities.

As a result, customers are asking simple but important questions:

- *Why is this changing?*
- *Why do I have to pay this?*
- *Will this improve my water quality and service?*
- *What if I cannot afford it?*
- *How do I raise concerns?*

Liquid expectations and the new customer reality

Customer expectations are increasingly liquid. They do not remain contained within one industry. Customers compare every interaction against the best experience they receive anywhere—from their bank, insurer, power company or favourite digital service.

As water services become more visible, those expectations will flow into the relationships customers form with new water providers.

At the same time, costs are rising and confidence is under pressure. In that environment, trust becomes the key currency. Trust influences whether customers understand the need for change, accept difficult trade-offs and support the investment story behind the bill.



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Trust shapes support

Experience from New Zealand and overseas suggests that communities do not automatically support change simply because the technical case is compelling.

Water Services Organisations need a clear and credible story that helps customers understand the need for change and trust the organisations responsible for delivering it.

The underlying need for investment may be widely recognised, but support for the proposed solution is often influenced by trust, transparency, understanding, affordability and perceptions of value.

This is particularly relevant for the water sector. Customers are being asked to support decisions that may influence charges, service levels and investment priorities for decades to come. In this environment, trust becomes more than a communications objective. It becomes a critical enabler of sustainable investment.

Trust is not built through information alone. Customers want confidence that organisations are listening, understanding their concerns, and acting on feedback. They want transparency around how decisions are made. They want assurance that investment decisions are necessary, funding approaches are fair and community perspectives have been considered.

Engagement cannot make an unaffordable bill affordable. Providers will also need credible hardship support, accessible payment options and clear pathways for customers to obtain help.

Most importantly, they want to understand the story behind the bill.

Trust is infrastructure

Like physical infrastructure, trust takes time to build, requires maintenance and deteriorates when neglected. Trust is not a communications outcome; it is an organisational asset built through behaviour and experience.

Customer experience is not simply the front end of water reform. It is how the legitimacy of reform is experienced.

Customers will experience change through a bill, a service interaction, a leak, an outage, a payment arrangement, a digital channel and the support they receive when something goes wrong. Every interaction becomes evidence for—or against—the promise the sector has made.

The first meaningful interaction between a new water organisation and its customers should not be the bill.



The opportunity for water providers

As new Water Services Organisations take shape, there is an opportunity to establish stronger and more direct relationships with customers from the outset.

Leading organisations are moving beyond simply informing customers about decisions. They are investing in understanding customer priorities, affordability concerns, vulnerability and perceptions of value, while creating meaningful opportunities for customers to influence the conversations that matter most.

At KPMG, we see customer confidence as a strategic capability rather than a communications exercise.

The organisations best positioned to navigate reform are those that understand how customers experience change, where confidence may be fragile and what actions are required to strengthen trust over time.

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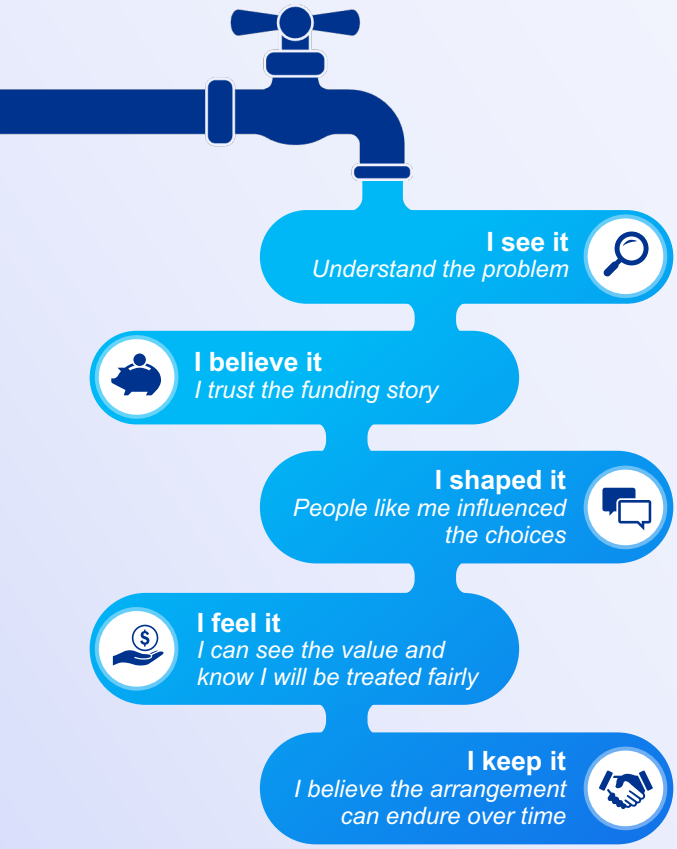
Five tests of an earned bill

The pathway is reframed in direct customer language:



The next chapter of reform

Water reform is now moving from structural change to customer experience. The organisations best placed to navigate this next phase will not only deliver infrastructure programmes and regulatory outcomes. They will build confidence in the decisions, trade-offs and long-term commitments that underpin them.

Ultimately, customers are not simply being asked to pay a bill. They are being asked to support investment decisions, service outcomes and a vision for the future of water services in their communities.

Building that confidence begins long before the first bill arrives.

In a world of liquid expectations, trust matters before the bill arrives.

Earn the bill before you send it.

Measure. Involve. Prove.

Measure what matters. Establish a baseline of customer understanding, trust, attitudes, perceived benefits and unresolved concerns.

Involve customers while choices remain open. Create genuine opportunities for customers to influence service levels, investment priorities, sequencing and affordability decisions.

Prove that trust was deserved. Show customers what they said, what changed, where investment went and what outcomes were delivered.

Get in touch

The decisions being made today will shape customer trust, affordability and service outcomes for decades to come. KPMG combines deep experience in New Zealand's water sector with leading customer and regulatory practices from around the world to help providers build lasting confidence with their customers

We'd welcome a conversation about how your organisation can deliver lasting value for customers and communities.

Contact us



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