

Property Council New Zealand

Submission to the Electricity Authority on Reducing barriers for new connections: up- front charges and distributor obligations

18 December 2025

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Electricity Authority
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Submission on the Electricity Authority's consultation 'Reducing barriers for new connections.'

1. Summary

- 1.1. Property Council New Zealand ("Property Council") welcomes the opportunity to submit a response to the Electricity Authority on the consultation, '[Reducing barriers for new connections.](#)'
- 1.2. Property Council supports the Electricity Authority's ("The Authority") intent to regulate high up-front connection charges and distributor obligations. However, we consider that several refinements are needed to strengthen transparency and ensure development activity can continue at scale.

2. Recommendations

2.1 At a high level, Property Council recommends:

- The Authority publishes a clear set of metrics and benchmarks defining how the balance point principle will apply in practice;
- Publishing detail on how the Authority identifies suspect pricing, what benchmarking datasets it will be using and what criteria triggers an inquiry;
- The Authority require distributors to provide standardised, itemised quotes with transparent valuation methodologies;
- The Authority introduce mandatory timeframes and service-level requirements for connection quotes and approvals; and
- The Authority provides indicative timeframes for each stage of the process.

3. Introduction

- 3.1. In the interests of transparency, it should be acknowledged that Property Council's Head of Advocacy, Denise Lee is Chair of Entrust, the majority shareholder of Vector. Denise has taken no part in the discussion, preparation or drafting of the following Property Council submission.
- 3.2. Property Council is the leading not-for-profit advocate for New Zealand's most significant industry, property. Our organisational purpose is, "Together, shaping cities where communities thrive."
- 3.3. The property sector shapes New Zealand's social, economic, and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional, and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand. We aim to unlock opportunities for growth, urban development, and productivity to improve New Zealand's prosperity.

- 3.4. We connect over 10,000 property professionals and represent the interests of over 550 members organisations across the commercial, industrial, retail, and residential sectors. Our members are from the private, public, and charitable sectors.
- 3.5. This document provides Property Council’s feedback on the consultation document [‘Reducing barriers for new connections: up-front charges and distributor obligations’](#) and all recommendations are provided on issues relevant to Property Council’s members.

4. General Comment

- 4.1. Property Council supports the Electricity Authority’s (“The Authority”) intent to regulate high up-front connection charges and distributor obligations.
- 4.2. We acknowledge that connection charges are an issue of significance for our membership, as it directly impacts development feasibility. We support the consultation’s assessment on how access seekers struggle with a lack of consistency, high costs, delays and a lack of transparent decision-making.
- 4.3. Evidence from the property sector reinforces the Authority’s assessment that monopoly conditions materially influence connection pricing outcomes. Where multiple providers are available, our members report materially lower and more predictable reticulation costs. In contrast, in areas served by a single distributor, connection costs per lot can be several thousand dollars higher, with limited transparency and no practical ability for developers to seek alternatives. Therefore, we also support the Authority’s rationale for considering interim restraint on connection charges.
- 4.4. We acknowledge that the Authority is working on wider reform for 2030 that looks to addresses other issues access seekers face with connections. As such, we have kept our comments within the scope of this specific consultation.

5. Balance point pricing

- 5.1. The Authority is proposing a change to the Electricity Industry Participation Code (‘the Code’) that would introduce a form of targeted intervention around balance point pricing, requiring new connections to contribute to shared network costs at levels commensurate with similar existing connections.
- 5.2. We broadly support a balance point pricing amendment to the Code, however, note that there is a lack of clarity in the application of the amendment. The paper does not specify how “commensurate” will be measured or what remedial benchmarks the Authority will apply. Without clear metrics, distributors and access seekers lack the certainty required to understand when pricing breaches the principle or when intervention may occur.
- 5.3. For example, comparator benchmarks that specify connection class, load size, network characteristics and standardised connection types make ‘commensurate’ more possible for access seekers to test and seek enforcement.
- 5.4. Benchmarking used to support balance point pricing should also explicitly distinguish between monopoly and contestable environments. Evidence from our members indicates that competitive markets naturally constrain prices, while monopoly settings are associated with

materially higher charges. Benchmarking must therefore compare like-for-like conditions to avoid unintentionally lifting prices in areas where competition currently delivers efficient outcomes.

- 5.5. The Authority should also consider publishing remedial expectations for distributors, which will make it clear to industry the consequences of discriminatory charges, improving accountability in the sector.
- 5.6. We recommend the Authority publishes a clear set of metrics and benchmarks defining how the balance point principle will apply in practice, including what constitutes a comparable connection, how costs should be allocated and what remedial action will follow.

Publish the Authority's enforcement process

- 5.7. Equally, it is important that the Authority's internal 'scanning' process is transparent so access seekers can understand why some cases are reviewed and others are not and which regions may be outliers. This helps provide transparency to the entire sector and could reduce administrative burden for the Authority.
- 5.8. We recommend publishing detail on how the Authority identifies suspect pricing, what benchmarking datasets it will be using and what criteria triggers an inquiry.

6. Standardised quotes and itemised cost schedules

- 6.1. The consultation highlights variation in the transparency and structure of connection quotes. Currently, distributors are not required to provide standardised templates, fully itemised cost schedules, or clear valuation methodologies.
- 6.2. Inconsistent and opaque quotes create major uncertainty for feasibility assessments. For example, one of our developer members mentioned a recent project on Remuera Road where they were required to upgrade the transformer size to 1000kva. The initial estimate provided to them by the distributor was \$250k but the final cost came to \$450k. The distributor refused to show any itemised explanation for the cost increase.
- 6.3. This developer's project cost for the transformer almost doubled in cost and caused two months delay in the project. Developers cannot meaningfully compare options or interrogate the basis for high charges.
- 6.4. We recommend the Authority require distributors to provide standardised, itemised quotes with transparent valuation methodologies.

7. Mandated timeframes

- 7.1. Property Council is concerned that the consultation details access seekers experiencing slow and inconsistent connection processing times but does not introduce binding timeframes or service-level commitments for distributors when issuing quotes.
- 7.2. Long delays introduce significant uncertainty and cost. Delays in receiving quotes can postpone construction starts, impact financing arrangements, and jeopardise development staging. For housing developers, these delays can materially affect housing supply timing and affordability outcomes.

- 7.3. Property Council recommends the Authority introduce mandatory timeframes and service-level requirements for connection quotes and approvals.

Timeframes for the targeted intervention process

- 7.4. The consultation recommends a process of scanning, inquiry and intervention where warranted. The consultation provides no indicative timeframe for this full cycle of targeted intervention, which could involve coordination with multiple parties including the Commerce Commission.
- 7.5. For this process to have meaningful impact, without delays adding additional costs, we recommend that the Authority provides indicative timeframes for each stage of the process.

8. Conclusion

- 8.1. Property Council members invest, own, and develop property across New Zealand. We thank the Electricity Authority for the opportunity to provide feedback on the reducing barriers for new connections consultation.
- 8.2. We support the intent of the consultation to target disproportionate connection charges and strengthen fairness, consistency and transparency for access seekers. However, we have made some recommendations which could strengthen this intent by providing access seekers with clear benchmarks, criteria and timeframes.
- 8.3. For any further enquiries, please do not hesitate to contact Bella Leddy, Advocacy Advisor, via email bella@propertynz.co.nz or phone 0297786114.

Yours Sincerely,



Leonie Freeman
Chief Executive
Property Council New Zealand