

### **Release of Information**

Please note that submissions are subject to the OIA and the Privacy Act 2020. In line with this, MBIE intends to upload copies of submissions received to MBIE's website at [www.mbie.govt.nz](http://www.mbie.govt.nz). MBIE will consider you to have consented to uploading by making a submission unless you clearly specify otherwise in your submission. MBIE will take your views into account when responding to requests under the OIA and publishing submissions. Any decision to withhold information requested under the OIA can be reviewed by the Ombudsman.

### **Privacy statement**

The information provided in your submission will be used to inform MBIE and other interested agencies' final recommendations to government on the design of a levy to recover the Commerce Commission's costs for economic regulation of water services. Your submission will also become official information, which means it may be requested under the Official Information Act 1982 (**OIA**). The OIA specifies that information is to be made available upon request unless there are sufficient grounds for withholding it.

### **Use and release of information**

To support transparency in our decision-making, MBIE proactively releases a wide range of information. MBIE will upload copies of all submissions to its website at [www.mbie.govt.nz](http://www.mbie.govt.nz). Your name, and/or that of your organisation, will be published with your submission on the MBIE website unless you clearly specify you would like your submission to be published anonymously. Please tick the box provided if you would like your submission to be published anonymously i.e., without your name attached to it.

If you consider that we should not publish any part of your submission, please indicate which part should not be published, explain why you consider we should not publish that part, and provide a version of your submission that we can publish (if we agree not to publish your full submission). If you indicate that part of your submission should not be published, we will discuss with you before deciding whether to not publish that part of your submission.

We encourage you not to provide personally identifiable or sensitive information about yourself or others except if you feel it is required for the purposes of this consultation.

### **Personal information**

All information you provide will be visible to the MBIE officials who are analysing the submissions and/or working on related policy matters, in line with the Privacy Act 2020. The Privacy Act 2020 includes principles that guide how personal information can be collected, used, stored and disclosed by agencies in New Zealand. Please refrain from including personal information about other people in your submission.

### **Contacting you about your submission**

MBIE officials may use the information you provide to contact you regarding your submission. By making a submission, MBIE will consider you to have consented to being contacted, unless you clearly specify otherwise in your submission.

### **Viewing or correcting your information**

We may share this information with other government agencies, in line with the Privacy Act 2020 or as otherwise required or permitted by law. This information will be securely held by MBIE. Generally, MBIE keeps public submission information for ten years. After that, it will be destroyed in line with MBIE's records retention and disposal policy. You have the right to ask for a copy of any personal

information you provided in this submission, and to ask for it to be corrected if you think it is wrong. If you'd like to ask for a copy of your information, or to have it corrected, please contact MBIE by emailing [competition.policy@mbie.govt.nz](mailto:competition.policy@mbie.govt.nz).

## Submission information

(Please note we require responses to all questions marked with an \*)

## Release of information

Please let us know if you would like any part of your submission to be kept confidential.

I would like my submission (or identified parts of my submission) to be kept confidential, and **have stated below** my reasons and grounds under the Official Information Act that I believe apply, for consideration by MBIE.

I would like my submission (or identified parts of my submission) to be kept confidential because  
[\[Insert text\]](#)

[To check the boxes above: Double click on box, then select 'checked']

1. Personal details and privacy	
1.	I have read and understand the Privacy Statement above. Please tick Yes if you wish to continue* [To check the boxes below Double click on box, then select 'checked']
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2.	What is your name?*
	Privacy of natural persons
3.	Do you consent to your name being published with your submission?*
	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4.	What is your email address? Please note this will not be published with your submission.*
	Privacy of natural persons
5.	What is your contact number? Please note this will not be published with your submission.*

	Privacy of natural persons
6.	Are you submitting as an individual or on behalf of an organisation?*
	<input type="checkbox"/> Individual (skip to 8) <input checked="" type="checkbox"/> Organisation
7.	If on behalf of an organisation, we require confirmation you are authorised to make a submission on behalf of this organisation.
	<input checked="" type="checkbox"/> Yes, I am authorised to make a submission on behalf of my organisation
8.	If you are submitting on behalf of an organisation, what is your organisation's name? Please note this will be published with your submission.
	Hastings District Council
9.	If you are submitting on behalf of an organisation, which of these best describes your organisation? Please tick one.
	<input checked="" type="checkbox"/> Territorial authority <input type="checkbox"/> Regional council <input type="checkbox"/> Existing regulated supplier under the Commerce Act 1986 <input type="checkbox"/> Consumer organization <input type="checkbox"/> Non-governmental organisation <input type="checkbox"/> Academic Institution <input type="checkbox"/> Central government <input type="checkbox"/> Iwi, hapū or Māori organisation <input type="checkbox"/> Academic/Research <input type="checkbox"/> Other. Please describe:

# Responses to questions

The Competition Policy team welcomes your feedback on as many sections as you wish to respond to, please note you do not need to answer every question.

Part 1: Levy structure	
1.	What are your views on the preferred option for a levy to fully recover the costs of the Commission’s new functions from 1 July 2025 onwards from regulated water services suppliers, excluding litigation and Crown Monitor costs for Watercare? Please provide reasons.
	<p>Opinion on paying the full cost – unlike the other levy?</p> <p>Paying the levy from 1 July, 2025, is very problematic for councils, given there will be no ability to include the cost and recovery mechanisms in budgets for that year with no information available during budget preparation.</p>
Part 2: Levy design	
2.	What are your views on the proposed levy design?
	Council agrees with the principle of ‘regulated suppliers’ paying for the levy as outlined in Part 2, however the funding allocation model outlined further into the paper apportions the cost by population. This is in direct opposition to the principle. Taumata Arowhai records connection data (Hinekōrako) and this should be used to apportion the costs.
3.	How would the proposed levy design impact on your organisation (whether now or in the future)? Please provide your assessment of the nature and extent of these impacts.
	In the long term, the impact will primarily be on the service users paying for it; however in the short term, due to the misalignment between cost information and councils’ regulated budgeting processes, councils will have no option but to raise unbudgeted loan-funding to cover it that will not be recouped from service users. Councils do not have unallocated funds to draw on.
4.	Do you have any comments on how the levy design could be improved? Please provide reasons.
	With regard to the concerns raised above, in order to include the costs in the 2025/26 financial year, the information needs to be provided to councils by March 31 (unlikely given the timeframe for the Bill), or the levy should be delayed until then 2026/2027 financial year.
Part 3: Levy apportionment	

5.	Do you have any comments on the preferred option for apportionment of the levy to each regulated supplier?
	<p>As noted above, Hastings District Council strongly believes that for levy allocation calculations the Taumata Arowai Hinekōrako register population data, reflecting the population within each council area connected to drinking water and wastewater services, should be used. This would better align with the user pays principle that underpins the legislation, and would be much fairer for small, predominately rural council areas. It would include connected through a council organisation, but also those on regulated and Government supplies, e.g. rural schools.</p> <p>We acknowledge that there is no perfect data set (and indeed the Census data is well out of date by the time it is published), BUT our view is that the serviced population data required and provided for in the Hinekōrako registers for both drinking water (the main area of work) and wastewater would be more appropriate. This would also better align with the policy direction provided for in the Local Government (Water Services) Bill, which is that three waters cost must be paid for by three waters users.</p>
6.	How would the proposed method of apportionment impact on your organisation (whether now or in the future)? Please provide your assessment of the nature and extent of these impacts.
	The impact of this apportioning model is on users. As well as not reflecting the principle of user pays, it means councils (and/or the supplier organisation) will be paying a levy for people not using the services. This will disproportionately affect councils with large rural and small urban populations.
7.	Do you have any comments on alternative options to apportion the levy? If another option is preferred, please provide reasons.
	As above: Our view is that the serviced population data required and provided for in the Hinekōrako registers for both drinking water (the main area of work) and wastewater would be more appropriate. This would also better align with the policy direction provided for in the Local Government (Water Services) Bill, which is that three waters cost must be paid for by three waters users.
<b>Part 4: Levy implementation</b>	
8.	Do you see any issues with your implementation of the levy (receipt of invoices, payment and passing the cost on as you may determine)? If so, what are those issues?
	The only potential issue may be timing of when we know what the levy is, versus when we strike rates for the relevant year. Ideally, we would like to have confirmation of the levy by April 2025. If we don't have certainty on the levy value prior to planning and budget documents being completed and budgets prepared, we won't be able to accurately pass on the costs to service users. With regards to receiving invoices from the Authority and paying these, there will be no issues.

9.	Would the proposed implementation approach create any challenges for your organisation? If so, what would these be in practice and are there solutions you wish to propose?
	<p>The 'wash-up'? Council does not have the ability to guestimate what that might be and therefore charge it; nor recover the costs retrospectively?</p> <p>If the review period aligns with long-term planning cycles, then there will no issues. If these get out of alignment, then this will make cost recovery more complex and challenging for us.</p>
10.	Do you have a preference for when the levy should be reviewed next? If so, why?
	Our preference would be for the levy review to align with Council Long-Term Plan timeframes (i.e. next review during the 2026-27 financial year) so that certainty over levy values can be built into long term budget documents. And then three yearly after that.

**General Comments:**

**Thank you**

We appreciate you sharing your thoughts with us. Please find all instructions for how to return this form to us on the first page.