

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'] ☒ Yes ☐ No
2.	What is your name?* Hanno van der Merwe
3.	Do you consent to your name being published with your submission?* ☒ Yes ☐ 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 Please note this will not be published with your submission.* Privacy of natural persons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 Please note this will not be published with your submission.* Privacy of natural persons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?*

	☐ Individual (skip to 8) ☒ Organisation
7.	If on behalf of an organisation, we require confirmation you are authorised to make a submission on behalf of this organisation. ☒ 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. Kawerau District Council
9.	If you are submitting on behalf of an organisation, which of these best describes your organisation? Please tick one. ☒ Territorial authority ☐ Regional council ☐ Existing regulated supplier under the Commerce Act 1986 ☐ Consumer organization ☐ Non-governmental organisation ☐ Academic Institution ☐ Central government ☐ Iwi, hapū or Māori organisation ☐ Academic/Research ☐ 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. Kawerau District Council, through prudent long-term planning and efficient operations, is among the lowest water service providers in NZ. The concept of charging Council an additional levy that will necessarily increase our water service delivery costs, in order to reduce costs to out ratepayers, is unreasonable. Any government commission needs to be funded by the Crown. A government commission may recover costs through fines or fees from Councils or water service providers who do not comply to fair and reasonable regulations and requirements. However, Councils who made great effort to comply with all regulatory requirements and provide cost effective and efficient services, should not be made liable to fund a central government commission.
Part 2: Levy design	
2.	What are your views on the proposed levy design? Commerce commission levies should be funded by the Crown. Kawerau District Council complied with all regulations and requirements set by various central government departments and agencies and should not be liable to pay levies to any central government commission that provides no benefits to its residents and ratepayers.
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. Any additional levy will need to be passed onto our ratepayers. The proposed levies will therefore have little impact on our Council, however will have significant impacts on our community.
4.	Do you have any comments on how the levy design could be improved? Please provide reasons.

	The commerce commission as a central government agency needs to be funded by the Crown. It is unreasonable to expect that Councils and other water services providers fund another bureaucracy with no additional benefit to its ratepayers and residents. The Commerce Commission may recover some of its costs from Councils who do not comply with reasonable regulations and requirements through fines and fees.
Part 3: Levy apportionment	
5.	Do you have any comments on the preferred option for apportionment of the levy to each regulated supplier?
	All levies and all similar subsidies should be made per per-person and not per Council. The concept that Kawerau (8,000 residents) will pay the same levies as Auckland (1,600,000 residents) is unreasonable.
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 proposal that Kawerau (8,000 residents) will pay the same levies as Auckland (1,600,000 residents) is unreasonable and such proposal will cause significant financial harm to smaller council's ratepayers. Any additional levy will need to be passed onto our ratepayers. The proposed levies will therefore have little impact on our Council, however will have significant impacts on our community.
7.	Do you have any comments on alternative options to apportion the levy? If another option is preferred, please provide reasons.
	The commerce commission as a central government agency needs to be funded by the Crown. It is unreasonable to expect that Councils and other water services providers fund another government bureaucracy with no additional benefit to its ratepayers and residents.
Part 4: Levy implementation	
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 Kawerau District ratepayers are among the lowest socio-economic demographic groups in New Zealand. The Kawerau District Council has among the lowest water services rates in New Zealand and has made significant effort to reduce rising rates and fees. However, Council has no other option than to pass these additional costs on to our ratepayers. Every rates increase significantly affect the living costs of our ratepayers.

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?
	Council will simply include these additional levies in our annual rates increases. However, these levies will have an impact on our communities and create challenges for them. The obvious solution is to fund the commerce commission by the Crown.
10.	Do you have a preference for when the levy should be reviewed next? If so, why?
	These levies and any new and additional taxes need to be reviewed through full public disclosure before each national election.
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.