

Submission form

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If you consider that we should not publish any part of your submission, please indicate which part should not be published, explain why you consider we should not publish that part, and provide a version of your submission that we can publish (if we agree not to publish your full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 If you indicate that part of your submission should not be published, we will discuss with you before deciding whether to not publish that part of your submission.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

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?* Helen Graham
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. Selwyn 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.

It is acknowledged that core regulation activities, for which the levy is funding, will assist in achieving the desired outcomes for Local Water Done Well.

These changes will have a negative impact on councils and therefore rates, at a time when councils have gone line-by-line through accounts to find savings.

Council would like to see the Crown contribute at least 50 % to the costs of the commission's new function and therefore reduce the financial impact on ratepayers. The public good derived from these regulatory activities justifies a level of central government funding. The Council remains committed to working collaboratively with central government to achieve the shared goal of improved Water Services but seeks a funding approach that is equitable and respects the financial constraints on local government.

Part 2: Levy design

2.

What are your views on the proposed levy design?

Council agrees with funding the core regulation of Water Services from the levy for all regulated suppliers while costs related to the use of certain regulatory tools, for example performance requirements, are only covered by regulated suppliers who are subject to performance requirements. This provides flexibility to only apply these costs to those needing to address performance and creates an environment that provides additional incentives for regulated suppliers to achieve compliance, in addition it removes the potential for cross subsidisation.

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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.
	Council consulted on and adopted its 2024-2034 Long -Term Plan prior to levy information being made available to councils. As such, this levy could not have been considered, or accounted for, in the Council's Long-Term Plan, therefore no budget exists or method to recover levy charges payable on 1 July 2025. This is a significant issue for Council, additional costs will need to be accommodated within the existing budgets via a reallocation. This may require a reduction in our available operating budget for water supply and wastewater schemes.
4.	Do you have any comments on how the levy design could be improved? Please provide reasons.
	Council would like the Crown to contribution at least 50 % the funding for the Authority to better reflect the public good derived from these regulatory activities for all New Zealanders. In addition, it would also cover the benefits to domestic and foreign visitors and tourists. It would be Council's preference to base the levy on number of rated water and wastewater connections.
Part 3: Levy apportionment	
5.	Do you have any comments on the preferred option for apportionment of the levy to each regulated supplier?
	The Selwyn District Council serves both rural and growing urban communities, therefore there is a proportion of the population, approximately 19%, not on a Council regulated drinking water supply and 32% not on a reticulated wastewater system. Council charges for water services via a targeted rate to properties who receive these services. Applying the levy to household who do not receive services would not align with current policy neither would requiring household that do receive services to pay the levies on behalf of non-council supplies. If the levy is recovered from properties receiving drinking water, wastewater or stormwater services the impact of the levy will be higher on Selwyn ratepayers compared to councils where the majority of their population are receiving services.
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.

	Applying the levy to household who do not receive services would not align with current policy, neither would requiring households that do receive services to pay the levies on behalf of non-council supplies. Due to the percentage of the population not receiving Council services for water, wastewater and stormwater, if the levy is recovered only from properties receiving services the levy cost per person and per household will be proportionally higher than other councils. Additionally, different users consume and dispose varying volumes of water. Therefore, it is very difficult for Council to determine a fair and equitable charging system. Rate increases may face public resistance.
7.	Do you have any comments on alternative options to apportion the levy? If another option is preferred, please provide reasons.
	Council would prefer the levy to be apportioned by number of connections rather than population. Standardisation could be implemented to provide a method of counting connections, this would be the fairest method for all regulated suppliers.
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?
	This Council consulted on and adopted its 2024-2034 Long-Term Plan prior to levy information being made available to councils. As such this levy has not been considered or accounted for in Council's Long-term Plan therefore no budget exists or method to recover levy charges payable on 1 July 2025. This is a significant issue for Council, additional costs will need to be accommodated within the existing budgets via a reallocation. This may require a reduction in our available operating budget for water supply and wastewater schemes.
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?
	Yes, the implementation approach would create significant challenges to establish a system and implement by 1 July 2025 to recover costs to pay the levy. We recommend the levy introduction is delayed until 1 July 2026. We encourage Government to put in place a formal mechanism to consider the financial impact of new regulation on councils through a Regulatory Impact Statement.
10.	Do you have a preference for when the levy should be reviewed next? If so, why?

The Council preference for review of the levy is in FY2027/2028.

Selwyn District Council's preference would be to see an alignment between Council Long-Term Plan and review of the levy. This would allow Councils sufficient time to adjust and allocate budget for the levy. To allow time to bring any changes into the Long-Term Plan budget this would need to be provided to Council in FY2026/2027.

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.