

Submission form

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?* Peter Wimsett
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 Please note this will not be published with your submission.* Privacy of natural persons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 Please note this will not be published with your submission.*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.
	Tararua 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.
	There are both public and private good considerations. The analysis shows no assessment has been given to there being public benefits.
	While we agree that ensuring financial sustainability is an advantage to the Water Organisation CCO or Council business unit, both are already subject to external audit, director fiduciary requirements (CCO), legislative controls, and financial and going concern assessments by the Office of the Auditor General.
	The Crown will benefit from having further independent oversight to ensure the Local Water Done Well framework is delivered. The Crown has been identified by the Water Services Regulator, Taumata Arowai, as a major beneficiary. The Commerce Commission's economic regulation of water services is part of the same regulatory strategy and therefore should be assessed to have public benefit.
Part 2: Levy design	
2.	What are your views on the proposed levy design?
	The overall purpose of the levy is for legislative compliance and oversight. This work will provide significant input into the Minister's proposed duty to report on the effectiveness of the legislation to Parliament in future years, as proposed in the Local Government Water Services Bill. AS such, the Minister will be a major beneficiary of the work undertaken by the Commerce Commission in the intervening years.
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 effect, headline rates will increase for Tararua by 0.08% to pay for this increase. (~\$30k/\$38.2m for the 2024/25 LTP forecast rate revenue). Until the new delivery structure has been established, the cost will likely result in bottom-line rates increase.
4.	Do you have any comments on how the levy design could be improved? Please provide reasons.

	The Public/Private benefit should be re-assessed to factor in the significant value the Crown will achieve by have the independent regulator and its reporting.
Part 3: Levy apportionment	
5.	Do you have any comments on the preferred option for apportionment of the levy to each regulated supplier?
	The methodology should be allocated in accordance with the average number of connections for each water service, not by population. However, noting that even then, non-residential users are not easily charged for their fair share of the cost.
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 reporting compliance also will incur a water organisation / Council servicing cost. This will add to the overall cost of compliance, in addition to the proposed levy. It is difficult to ascertain the extent of the additional costs of compliance.
7.	Do you have any comments on alternative options to apportion the levy? If another option is preferred, please provide reasons.
	The levy should as a minimum be consistent with the public / private benefits as assessed for the Water Services Regulator Taumata Arowai fee. There is an argument that the Minister will be a major beneficiary of this Commerce Commissions future work.
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 Government has indicated its unhappiness with recent large increases in rates. This levy will add a direct cost to the cost structure / overhead of the delivery of water services. There is a difficulty for service areas where they there exist non-resident or transient users. The Government derives GST and other tax revenues from these users. It directly derives additional benefit to the income, from ensuring our international standing and national reputation is maintained.

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?
	The water organisation or council will have to adapt to the requirements once they become clear. Expertise will need to be developed to ensure compliance and a collaborative approach to improvement.
10.	Do you have a preference for when the levy should be reviewed next? If so, why?
	The fees should be reviewed in two to three years, as the actual costs of ensuring compliance become more apparent.
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.