

Submission form – Tauranga City Council

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If you consider that we should not publish any part of your submission, please indicate which part should not be published, explain why you consider we should not publish that part, and provide a version of your submission that we can publish (if we agree not to publish your full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 If you indicate that part of your submission should not be published, we will discuss with you before deciding whether to not publish that part of your submission.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
2.	What is your name?* Wallace Potts
3.	Do you consent to your name being published with your submission?* ☒ Yes
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?* ☒ 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. Tauranga City Council
9.	If you are submitting on behalf of an organisation, which of these best describes your organisation? Please tick one. ☒ Territorial authority

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. Recovery of costs aligns with other industries, e.g. Telecommunications and Electricity sector. It is not surprising to see this levy being discussed with the water providers.
Part 2: Levy design	
2.	What are your views on the proposed levy design? Support that the fairest way at present is for the levy to be based on population, rather than per connection. This ensures fairness for the delivery of stormwater services, rather than assessing benefits solely for water and wastewater services. If there is a desire to shift to a per connection basis (which TCC does not support), the way connections are captured needs to be standardised, particularly for Multi dwelling connections. Consideration also needs to be given to the following - if levies are to be based solely on connections, then we will see more of a burden placed on metro/city councils who will be paying significantly more proportionally than smaller/rural councils in NZ. All the population benefits from safe and secure water services in metro areas; visitors, and workers who reside outside of city limits on lifestyle blocks but enjoy city services for the majority of their day etc. In addition, applying costs by connection does not account for connections such as retirement villages. Tauranga has a number of retirement villages who are supplied services via <u>one</u> connection. Some village campuses have residents of 800+ people. A population-based approach is preferable to cover this scenario.
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. Impacts - Any substantial increase to operating cost, such as this levy, impacts our organisation and in turn our ratepayers. Our organisation is focused on keeping costs affordable for our customers. This levy on Tauranga residents is \$198,966 p.a. (\$1.30 p/person, \$3.51 per household of 2.7 people)

	Council has had little time to account for the impacts on operating costs given the short notice from MBIE. Levies should have been signalled earlier to Councils, back when LTPs were being prepared. TCC recommends that in light of the short notice, that levies be a staged approach.
4.	Do you have any comments on how the levy design could be improved? Please provide reasons.
	To “soften” the initial impact on Council budgets, a staged implementation is recommended; suggest 50% (year 1) going to 100% (year 2)
Part 3: Levy apportionment	
5.	Do you have any comments on the preferred option for apportionment of the levy to each regulated supplier?
	TCC supports the approach of a population approach as this ensures the recognition of stormwater services. It also ensures the levies are spread across the breadth of communities who benefit from a quality service. A per connection apportionment also ignores the large population within retirement villages and apartment buildings. There are many such villages that have a single water and wastewater connection point and then supply all the residential dwellings, rest home and hospital care via private internal networks.
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.
	TCC is a Metro council and supports that the rural councils pay a fair and proportional share of regulatory costs. TCC is totally surrounded by our neighbouring council, and the user who benefits, does not ‘recognise’ the boundaries. All three waters cross the boundaries of the two Councils. As an example, Tauranga provides water and wastewater services to Western Bay customers, and receives its stormwater.
7.	Do you have any comments on alternative options to apportion the levy? If another option is preferred, please provide reasons.
	Prefer to keep as population based. Census data must have “visitors” to the district removed.
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?
	None, at present. This may change once the Tauranga CCO is operationalised, depending on the decisions around management of stormwater.
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?
	Affordability for our community is a challenge. To “soften” the initial impact on Council budgets, a staged implementation is recommended; suggest 50% (year 1) going to 100% (year 2)
10.	Do you have a preference for when the levy should be reviewed next? If so, why?
	Cost reviews should align with Territorial Authorities’ Long Term Plan timeframes. Councils have had very little time to accommodate these new costs
General Comments:	
TCC supports the majority of the submission made by Water NZ, however, <u>does not support moving away from a population based levy calculation.</u>	

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.