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Western Bay of Plenty District Council feedback on a proposed levy to recover Commerce Commission costs of regulating water services

Western Bay of Plenty District Council (Council) thanks the Ministry of Business, Innovation and Employment (MBIE) for the opportunity to provide feedback on a proposed levy to recover Commerce Commission costs of regulating water services.

We appreciate that at this point in time, using population data from the Census 2023 is the most efficient and reliable mechanism for apportioning the levy. We encourage the Commerce Commission to review this approach in three years' time.

There is an expectation that there will be better data regarding connections and the level of service that needs to be provided. This would allow consideration of other matters such as user pays, equity and management of non-compliance with the regulations. It would also be useful for this review to be undertaken in alignment with Long-term Plan cycles to provide for an effective budgeting approach.

We think that the Commission should have considered other funding splits rather than just 100% Council or 100% Crown funding. We recommend that the Crown could fund a similar percentage of the Commission levy that is to be funded by the Crown for the Water Services Authority.

The Commerce Commission will need to ensure that there is a high level of transparency in terms of the use of the funding and outcomes for water service providers.

We understand that the Council will be responsible for collecting the levy from consumers and that this may or may not be passed on to a water services entity (for collection). There will be work required for Council to implement the process to charge the levy. Have these potential costs been considered when determining the approach to charging the levy?

In addition to the above point, we do not think that Councils should have to take this responsibility on – unless they continue to be the water service provider. Has there been any consideration of a delay in charging the levy until such time as the water service providers are confirmed?

It is unclear what the benefit would be from the provision of the stormwater component of the levy. No specific outcomes are identified for stormwater regulation even though this has been recognised as one of the most challenging areas to regulate given the number of non-point source discharges and relationship with other assets such as parks and transport corridors.

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James Denyer

Mayor

Western Bay of Plenty District Council