



WHANGANUI
DISTRICT COUNCIL
Te Kaunihera a Rohe o Whanganui

24 January 2025

Ministry of Business Innovation and Employment

Via email: competition.policy@mbie.govt.nz

Re: Water Services Legislation Bill

The Whanganui District Council ("the council") **does not support** the proposed Commerce Commission levy for councils or CCOs to fund the new regulatory regime for Local Water Done Well. It is our view that this levy places further burden on councils/their ratepayers at a time when affordability is already under pressure. We **strongly recommend** that the timing of this levy also be reconsidered.

We wish to note that this levy combined with the proposed Taumata Arowai will add approximately \$15 (excluding GST) per year to our ratepayers' annual rates bills. Across our 19,000+ households this is not an immaterial sum – and would, for example, enable our council to service \$6.1m of debt or fund \$285k of operational expenditure - this is money we believe would be better spent on building and maintaining our water infrastructure.

Councils have received a very clear direction from Central Government that they must do everything they can to reduce pressure on ratepayers, with recent rates increases being labelled 'unacceptable'. We agree that the need to reduce cost pressures on our households is urgent. In this vein, we have recently engaged in a comprehensive long-term plan process which centred around making difficult cuts and deferrals. We have also decided to consult on a multi-council CCO as our preferred model for water services delivery to ensure the long-term affordability of our water services.

However, balancing the long-term sustainability of our council and keeping rates low for our community has been made increasingly difficult by the stream of unfunded rules and responsibilities imposed by successive governments each year. The introduction of these levies puts our council in the difficult position of either increasing cost pressures on our households further or diverting investment away from operations and maintenance activities.

At a minimum, we **recommend** the crown cover the preparatory work and costs of establishing the commission's new regulatory function outlined in the discussion document for 2025/26 and 2026/27.

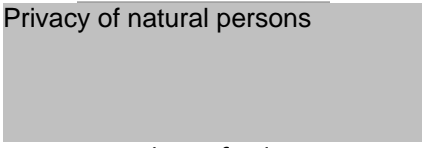
If these levies were to go ahead, then we **strongly recommend** aligning them with council Long-Term Plan (LTP) cycles, i.e. commencing them alongside the next Long-Term Plan that will be adopted in 2027 so councils can budget for them appropriately. This timing would also align with most councils having implemented their water strategies, and having made the transition to arrangements that meet the government's enduring settings for future water service delivery.

We **agree** with Water NZ that having aligned reporting and planning timelines across public (local and central) and private infrastructure providers would help work towards consistency in project planning and management and deliverability.

Thank you for your consideration and the opportunity to submit on these proposals.

Yours sincerely,

Privacy of natural persons

A large grey rectangular box redacting the signature of David Langford.

David Langford

Chief Executive

Whanganui District Council