



22 February 2022

Competition and Consumer Policy
Building Resources and Markets
Ministry of Business, Innovation and Employment
PO Box 1473
Wellington 6140

by email: economicregulation@mbie.govt.nz

Submission on the Ministry of Business, Innovation and Employment's Discussion paper: *Economic regulation and consumer protection for three waters services in New Zealand*

The Hurunui District Council (HDC) appreciates the opportunity to submit on the discussion paper - *Economic regulation and consumer protection for three waters services in New Zealand*.

It should be noted that HDC is opposed to the Three Waters Reform as it has been currently presented by the Government and this submission should in no way be construed as any endorsement of the reforms.

HDC strongly supports the need for economic and consumer protection regulations in the three water service. This is especially in the light of the proposed Water Service Entities that will essentially be monopolies and may become less responsive to communities. Under the Local Government Act 2002, there is a legislative requirement for Councils to consult with its ratepayers through the Long Term Planning process and to provide accountability through the Annual Reporting process. In addition, elected members are subjected to the electoral process.

HDC wishes to provide its support to the detailed submission on the paper provided by the Canterbury Mayoral Forum (CMF), which comprises the Mayors of the ten territorial local authorities in Canterbury and the Chair of Environment Canterbury.

While providing its support for the CMF submission, HDC wishes to emphasise the following as important aspects pertaining to the district that it serves:

Economic Regulations Section:

Q13 (B) What are your views on whether the economic regulator should be able to minimise price shocks to consumers and suppliers?

HDC supports the concept that the regulator should be able to minimise price shocks to the suppliers and consumers. A key objective of the Government in its Three Waters Reform process is "ensuring all New Zealanders have equitable access to *affordable* three waters services". By ensuring price shocks are minimised, it will assist in ensuring three water services remain affordable.

Consumer Protection Regulations Section:

Q26 - What are your views on whether minimum service level requirements should be able to vary across different types of consumers?

HDC felt that there is a need to be able to distinguish minimum services levels for different types of consumers. Currently in the Hurunui, consumers in most urban areas are connected to metered on-demand supplies, whereas most rural connections are on restricted supplies, where they receive a set number of litres of water per day. By their very nature, the same minimum level of service cannot be provided to both sets of consumers.

Q28 (A) Do you consider that the consumer protection regime should apply to all water suppliers, water suppliers above a given number of customers, or just Water Services Entities? Could this question be left to the regulator?

Q28 (B) Do you support any other options to manage the regulatory impost on community and private schemes?

HDC felt that the consumer protection should initially apply only to the Water Service Entities.

To lessen the immediate compliance burden, HDC supports the notion to explore other options for small private or community schemes, especially providing a transitional period to enable them to make the necessary changes to their policies and operations.

Again, HDC appreciates the opportunity to make this submission.

Should there be any queries on HDC's submission, please make contact with the Council's Chief Financial Officer, Jason Beck, jason.beck@hurunui.govt.nz.

Yours sincerely



Marie Black
Mayor