



Date: Tuesday 2 December 2014
Time: 9.30am
Meeting Room: Reception Lounge, Level 2
Venue: Auckland Town Hall
301-305 Queen Street
Auckland

Council Controlled Organisations Governance and Monitoring Committee

OPEN MINUTE ITEM ATTACHMENTS

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5.1	Public Input - Peter Atkinson and Mark Champion, Employers and Manufacturers Association: Wastewater differential charge applied against the non-domestic sector by Watercare	
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The Wastewater Differential Auckland Council

22 November 2014

- 1) Domestic Wastewater is paid for by a fixed charge of \$195 and a per cubic metre charge on volume to waste of \$2.336.

- 2) Non Domestic Wastewater is paid for as follows:

Pricing Plan	Annual fixed charge	Volumetric wastewater charge	Annual Volume
Low User	\$195	\$4.38	less than 1304 KI
Moderate User	\$495	\$4.15	1304 KI to 10,008 KI
High User	\$6900	\$3.51	10,800 KI to 89467K
Industry Plan	\$74000	\$2.76	89467 KL or more

- 3) This represents a "Prima facie" wastewater differential of between 1.18 to 1.87 against business or an effective (real) wastewater differential of 1.53 to 1.85 against business. (The Effective Wastewater differential involves the fixed charge in the calculation.

- 4) Based on Watercare's declared wastewater revenue for 2014 of \$266,503,000, and with the declared non domestic portion of this charge at 33% this means that the non-domestic sector is paying \$39,086,117 more than the domestic sector would for the same amount of waste volume. I.e. this is a direct extra cost on the business community.

- 5) EMA has been advised that there is no difference in the treatability factors between domestic and non-domestic waste- so there is no technical reason why the charge should be higher.

- 6) EMA has been advised that the reason for the differential is purely a decision of the governing body ((SF/2012/67 of 23 May 2012).


- 7) The differential in the non-domestic charge is therefore in the nature of a tax, and not a service charge.

- 8) EMA accepts that differentials are legal under the various rating statutes, but finds no justification in law for a differential on a service charge by a council in NZ.


- 9) EMA has a preliminary legal opinion that a differential applied to a service charge of this type by council may be illegal and is possibly in danger of being overturned in the event of a judicial review.

- 10) EMA therefore calls for the urgent removal of differential pricing on wastewater by Auckland Council.

- 11) EMA calls for a phase out over 3 years with the detail around this to be advised to affected parties in writing ASAP.




Auckland
Tourism, Events and
Economic Development
An Auckland Council Organisation



ATEED Q1 Discussion

CCO Governance Committee
2 December 2014



Auckland visitor economy update

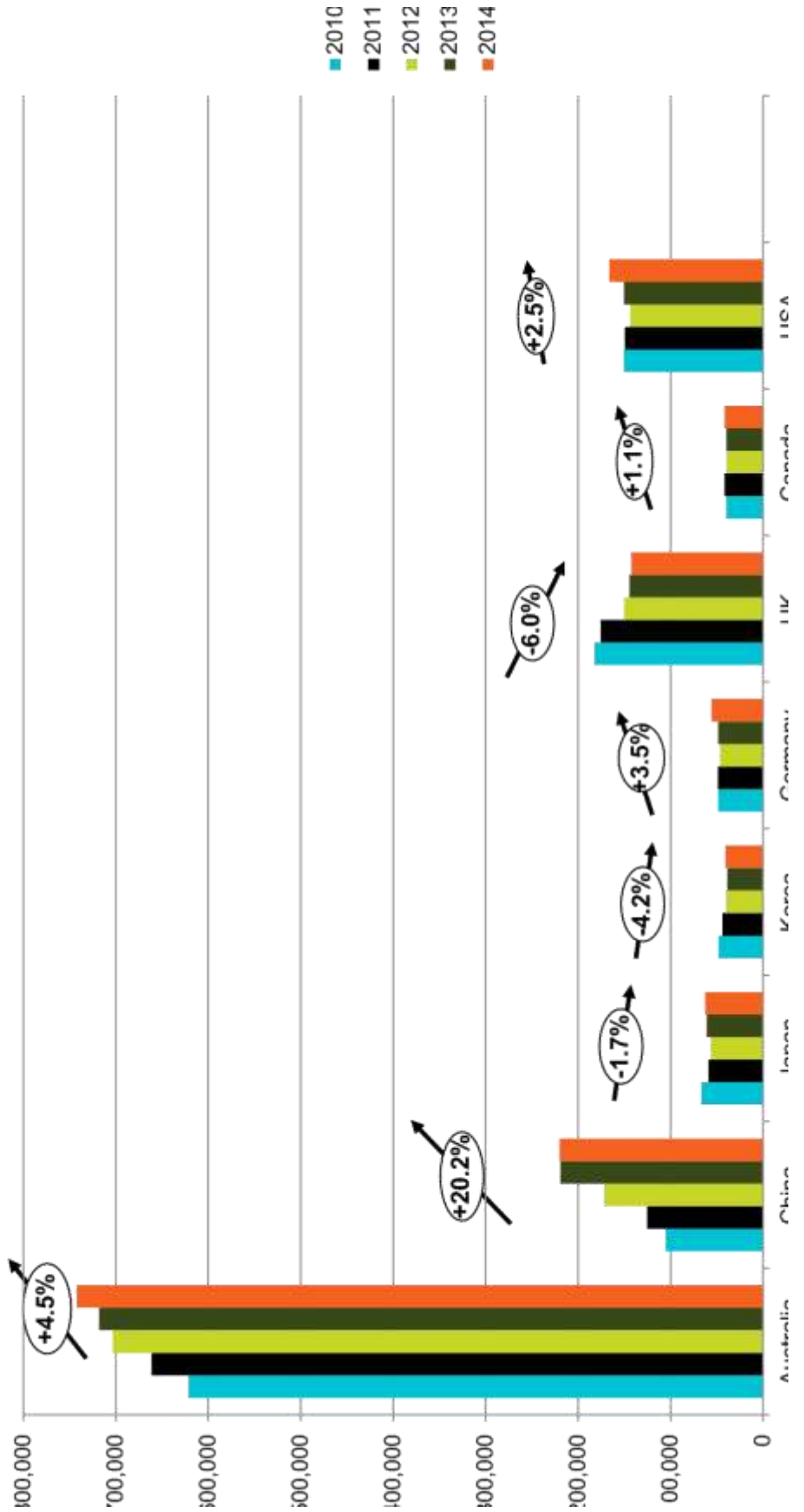
- Visitor spend up 5% to y/e March 2014 (\$4.78 billion)
- Visitor arrivals up 4% to y/e Sept 2014 (1.99 million)
- Total guest nights in commercial accommodation up 4.3% to y/e Sept 2014 (domestic nights up 7.9%)
- Occupancy rate of all hotels 81.6% to y/e Oct 2014 (cf 74.2% in 2010)
- 35% of multi-day business event delegate days to y/e Sept 2014

Auckland Tourism, Events and Economic Development

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International arrivals into Auckland by key market

Australia and China continue to see strong 5-year CAGR growth while the UK remains in decline (YE September)



The youth unemployment challenge

- Youth unemployment in Auckland is 34%, one of the worst in the OECD
- 28,000 young Aucklanders are not in employment, education or training (NEET). (i.e. 1 in 5 young Aucklanders is unemployed)
- One in every six Pacific youth (17.2 percent) and even more Maori youth (18.5 percent) are NEET
- Per capita lifetime cost over next three years of each NEET youth is \$28,981
- 74% of school leavers across Auckland leave school with NCEA level 2. In some areas only 59% have NCEA Level 2. This is the base level qualification needed to get into work.
- By 2021, nationally 36% of 15-24 year olds will be Māori, Pasifika and Asian

The youth employment opportunity

Mayors Youth Employment Traction Plan

- a) Youth Connections
- b) Young Enterprise Scheme
- c) International Education
- Sector focus
 - Construction
 - Health
 - ICT
 - Retail/Hospitality
- Youth Traction Hub hosted at ATEED
- Focus on signing businesses to Traction Hub Employers Pledge

Auckland Tourism, Events and Economic Development

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Auckland in 2015

Auckland's big weekends

