

Memo

18 October 2017

To: Mayor Phil Goff, Councillors; Nicola Berghaus; David Wood; Stephen Town; Alastair Cameron; Phil Wilson; Andrew Duncan; Justine Smith

From: Tania Winslade, Principal Advisor, CCO Governance and External Relationships

Subject: Progress update on governance arrangements for accommodation provider targeted rate

Summary

This memorandum provides a progress update in relation to the following governing body resolution GB/2017/57 (this formed part of the resolutions adopting the Annual Budget 2017/18 – refer to **Attachment A**):

“...staff report back on a proposal for the introduction of alternative governance arrangements of Auckland Tourism Events and Economic Development (ATEED) including greater participation for commercial accommodation providers appropriate to their level of funding of ATEED’s activities”

Staff are currently engaging with accommodation provider targeted rate payers. This will inform the advice and any proposal put to Governing Body. A decision will be sought from Governing Body on 14 December 2017. This will allow the preferred option to be implemented before the 2018/19 financial year.

Background

The targeted rate became effective on 1 July 2017. The first invoices were sent out to targeted rate payers in August 2017. Despite previous threats from the hotel and motel sectors, no judicial review proceedings have been instigated as yet.

The council’s financial policy and rates teams are also working through the following matters:

- processing applications for remission of the accommodation provider targeted rate for 2017/18 under the miscellaneous remission scheme
- developing advice to the council on options for a new accommodation provider targeted rate remission scheme for implementation from 2018/19
- developing advice to the council for incorporation of the online accommodation sector (which competes with traditional commercial accommodation providers but are currently rated as residential properties) into the targeted rate.

Progress on those matters will be reported separately through the Finance and Performance committee.

Working with commercial accommodation providers on options

The CCO Governance and External Relationships department formed a small working group consisting of council staff, ATEED, and representatives from the sector. In September this group worked through a number of options for alternative governance arrangements including:

- establishment of an advisory body to council and/or ATEED
- council appoints an ATEED director with relevant sector expertise. This would be pursuant to the council's existing board appointments policy and programme, that is, it would not be an additional appointment. Targeted rate payers could have input, for example, by suggesting candidates to be considered alongside others
- representation on an ATEED sub-committee that makes recommendations on visitor attraction and events to the board of ATEED
- an independent body established by targeted rate payers accountable for expenditure of the targeted rate
- council appoints an ATEED director with relevant sector expertise together with representation on an ATEED sub-committee.

During the course of the next week, staff will engage with all targeted rate payers through an online survey asking for their feedback on the options.

The feedback from the working group and further engagement with targeted rate payers will inform the advice and any proposal put to the Governing Body.

Timeframes

- October 2017 – consult all targeted rate payers on options for alternative governance arrangements (two week period)
- November 2017 – council staff analyse feedback and draft advice
- 14 December 2017 – final advice provided to and a decision sought from the Governing Body

Should you have any queries, please contact Tania Winslade, Principal Advisor, CCO Governance and External Relationships, Tania.Winslade@aucklandcouncil.govt.nz, phone 021 837 380.