

Submission: Non-domestic Waste Water Tariff

North Harbour Business Association

Janine Brinsdon – General Manager

P O Box 303 126

North Harbour 0751

Phone 09 968 2222 or 021 212 4942

Email: janine.brinsdon@nhba.org.nz

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Introduction:

North Harbour Business Association is an industrial BID area, representing over 2500 commercial property owners and businesses within the North Harbour area.

Our business comprise of a mix of Small Medium Enterprises (SME), multinational organisations representing sectors such as ICT, business services, specialist manufacturing and light – medium warehousing. In addition to the businesses, we have key educational institutions such as Unitec, Pinehurst, Kristin and Albany Primary schools – plus additional vocational institutions, all within an industrial estate which is on average less than 20 years old. We also have leisure facilities with North Shore Golf Club and North Harbour Softball and Hockey fields within our BID area.

Our primary interests are those decisions within the Proposed non-domestic Waste Water Tariff DRPTP which:

- impact on the cost of business – across a short to medium timeframe
- impact on economic development and the ability to leverage value from location
- impact on the ability to leverage natural assets for economic development across leisure and tourism sectors – enhancing Auckland’s reputation as the world’s most livable city.

Infrastructure:

Through our consultation with local business, we can report back on the following common positions.

- Majority accept the need to move from 44 different tariffs to Auckland region waste water tariff structure. They welcome the increased level of transparency and openness this streamlined structure will provide.
- Majority accept the need for a consistent user-pay approach, with those companies who make the most demands on the Watercare infrastructure expected to pay accordingly.
- Majority recognise the potentially positive impact the volumetric element within the proposed tariffs will have on water conservation.
- Majority of smaller businesses (one – five people) are indicating a preference for Tariff 2A, however they are questioning the business differential and also the level of the fixed charge element.

- The impact on Trade Waste customers does not apply in the North Harbour BID area so we are unable to comment further other than to reinforce the above user pay philosophy and the correlation between costs and benefit. There is a tolerance for a transition period however the timeframe needs to be transparent and not over a protracted period.
- The tolerance for a transition period for any customers adversely affected is between three and five years.

Further points of note:

- Within the North Harbour BID area we have over 200 properties which are considered mixed-use properties. These property owners are most concerned with the current proposal that the non-domestic waste water tariff is to apply against properties which are predominately residential. The business differential is regarded as a premium charge. For those owners of mixed-use properties from which they actively trade, there is less resistance to the non-domestic tariff. NHBA requests that there is consideration given for these mixed-use properties on an individual basis.
- NHBA requests consideration is given to commercial companies who only employ one – five staff to bring their waste water costs more in line with the domestic tariff. These are the companies who are most concerned about the rising cost of business and are at most risk.
- NHBA requests consideration for supporting those businesses who are incurring costs in demonstrating a higher than industry average percentage of water not being returned as waste. For example, irrigation, evaporation. Our understanding is that the onus is on the business to provide evidence at their cost that this occurring. We request financial support is provided for the installation of additional meters if required, to enable them to provide evidence of the variance from industry sector norms.
- NHBA is in full support of educating businesses concerning water conservation. We want to work with Watercare to ensure that improved water efficiency practices are adopted by businesses across the operational aspects of their production and manufacturing processes. We will promote initiatives and encourage awareness of the most effective ways of minimising waste.

Conclusion:

Through our member communication tools, we actively encouraged business owners to review their personal requirements and to compare the tariffs outlined in the Watercare survey to reveal the impact on their cost of business.

Amongst those businesses we have spoken to, their preferred option is Tariff Two as it does allow for a greater consumer choice. However they have expressed concerns regarding being locked into a tariff for a twelve month period and unable to adjust should their business needs change, either positively or negatively.

On behalf of our members, NHBA wishes to acknowledge Watercare's commitment to public consultation with business.