



# ***The Northern Action Group Incorporated***

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## **Auckland Council Annual Plan 2025/26 response**

### **Introduction:**

Your consulting document has five questions:

- 1) What do you think of our proposed annual plan.
- 2) Do you support a bed night visitor levy paid by those in short-stay commercial accommodation, to fund destination management and major events activities?
- 3) Changes to other rates, fees and charges. What do you think of these proposals?
  - a. 3A. What do you think of the waste management proposal?
  - b. 3B. Would you like to comment on this or the other rates, fees and charges proposals?
- 4) What do you think of our proposals for your local board area in 2025/2026?
- 5) Do you have any other comments on the Annual Plan 2025/2026?

NAG's primary response is to repeat its comments made last year in response to the proposed 10 Year Plan:

<https://nag.org.nz/Auckland%20Council%2010%20year%20Plan%20response%20Mar%202024.pdf>

Some of these have been actioned, but AC has been trying to fine tune its model, not make any significant changes.

AC has not shown any real commitment to keeping rates growth in line with or below price increases.

An average of 5.8% this year is some 3.0% above current CPI inflation. There is no justification for this and PM Luxon made it clear at his address to the LGNZ conference <https://www.beehive.govt.nz/speech/speech-lgnz-superlocal-conference> that Territorial Authorities should stick to the basics.

He wasn't joking when he said "ratepayers are sick of the white elephants and non-delivery"



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## **Subsidised Public Transport**

The big hole in AC's budget (\$500m plus the \$200m from the CRL when operational) is the cost of subsidising Public Transport (PT). Its many advocates say we need to do this to get people off AC's congested roads. They conveniently forget that people in cars are paying the full costs of their travel and lost time in queues and still prefer that to the inconvenience, unreliability (or just unavailability), personal smells of others and crowding that PT offers.

The irony is that AC/AT supports congestion or time of use charging – which will add more cost for car travellers, yet continues to subsidise PT rather than increase charges and spend more on investment in better roads and transport mode alternatives to make use choices more attractive. INCENTIVES NOT COERCION please!

There is no money for investment in transport infrastructure if AC keeps providing loss making PT services.

The Mayor's \$50 a week limit is a popular joke played on ratepayers, since the people to benefit from that limit are the travellers who have (or choose to) to use PT the most and would (undoubtedly unhappily) pay full fares or even what it actually costs to use the services.

There is no CBA showing that the fare limit increases patronage and revenue more than the loss of the extra fare revenue. Its just a sop to the PT community, paid for by ratepayers at large, most of whom don't get any benefit.

The popular NX services, with dedicated bus lanes, are well patronised and demand from peak hour users is pretty inelastic. Passengers could well be charged 2 or 3 times the current fares. If congestion charging works for cars, why not for dedicated bus lane passengers as well?

AT seeks to increase services every time more people use PT. Since PT services lose money, that just increases the cost of the subsidy from non-user ratepayers.

AC/AT seriously needs to target a 50% in PT subsidies over fares, each year. Otherwise increasing rates more than inflation is a hole AC will never climb out of.



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While you are at it, reduce the subsidy of Gold Card(GC) PT users so that it at least does not exceed what the Govt provides. Government quickly moved to cap its expenditure on this subsidy to Councils, but they have been slow to limit their own subsidy of CG members. Most can afford to pay their own fares. For those who can't, at least restrict Gold Hop cards to holders of a community services card for a start.

## **Debt**

High interest rates have increased the cost of servicing AC's debt. If the AIA share sale money had been used to repay debt, instead of being put into a fancy Future Fund (that is just saved rates taken off today's ratepayers to be spent at a future Council's whim to benefit future ratepayers) we could all have had a much lower level of rate increase this year.

Why for any rational reason would we want to pay higher rates today to put our money into a fund that will offset future rate demand to benefit a different set of ratepayers who may not even be here or born yet?

The simple solution?

- 1) Scrap the Future Fund and pay off some of AC's debt.
- 2) Get the books back into balance (by cutting spending (eliminate subsidies and non-essentials) or increasing user charges) and keep rates increases in line with inflation! (Revenue from population and SUIP growth should match service cost increases (including servicing investment in infrastructure and facilities).

## **Non-Essential Spending**

The Taxpayers Union and Ratepayers Alliance are have a well justified field day with AC's wasteful spending on non-core items.

Council seems to be mesmerised with a vision of an iconic vibrant city centre, bustling with tourists and activity, paid for by a widespread ratepayer base that rarely visits and gets little if any benefit from inner city improvements, and activities.

AC spending on cultural events and activities of minority groups is just pandering to special pleading. Naturally AC has to manage group gatherings that affect others (road closures, transport arrangements etc), but all these groups can find their own



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funding support for their group activities. AC does not need to provide any funding from its rating base.

The regular Our Auckland newsletter

[https://aucklandcouncil.uq.co.nz/mail/view/hn7fvyk2\\_r\\_n\\_8m513gqsxrmci0f\\_t8\\_8rc37s26rq2jknh7555xw7z2hy05y4299zr3z26yfcjrjy01g11sj](https://aucklandcouncil.uq.co.nz/mail/view/hn7fvyk2_r_n_8m513gqsxrmci0f_t8_8rc37s26rq2jknh7555xw7z2hy05y4299zr3z26yfcjrjy01g11sj) is a catalogue of non-core activities that AC does not need to fund at the ratepayers expense.

## **Bed Tax**

Because there is no user based funding for the assets, facilities and services of AC used by visitors and tourists, NAG supports the idea of a bed night tax.

But we do not agree that the money raised should be spent on funding festivals and events. It should be spent on the facilities and services that visitors actually use. Attracting them here is a function for the business and event sponsorship community. If they want to levy their own members or voluntarily contribute to spending on event promotion for AC, that would be great, but it is not the role of AC's ratepayers to do that for them.

“Big City” icons, promotions and events have no benefit for the rural ratepayers in outlying areas of AC, like Rodney! Local town and country events are already promoted by the locals who organise them and local business groups who benefit from them.

So if the bed tax proceeds, any money collected must be spent in the Local Board area where it is raised, fairly recognising the impact of tourists and visitors on use of services and facilities in that area.

Whether the bed night tax proceeds or not, AC should not fund the estimated \$7m spending on event attraction and promotion.

## **Localism and the Local Board Plan**

The Consultation document says:

***CCO reform***



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*We've made decisions and are progressing significant changes to three of the five substantive council controlled organisations (CCOs) – Eke Panuku, Tātaki Auckland Unlimited and Auckland Transport – to improve how we deliver our services. These reforms do not include any funding or service cuts. They involve changes to the organisations, to make council services more responsive to Aucklanders by bringing decisions closer to elected members.*

We have talked a lot in the past about the AC structure not being fit for purpose for Rodney, the problems of local coordination of AC's silos and the lack of integrated District level management of investment and service activity.

AC says it is supportive, but no significant actions are there to show "*changes to the organisations*" that will improve the management of resources allocated to Rodney. Adjustments to Local Board allocation are an improvement but not significant.

I repeat our comments from last year:

*"We talked about the need for more transparency and devolution in our submission on the budget last year. Particularly for rural areas like Rodney, we repeat our call for adoption of a decision making structure at local level which has authority for and integrates responsibility for AC activities in the area . It is needed to deal with problems of remoteness and lack of integration owing to different management control systems in different AC silos, CCOs and preferred contractors.*

*The move to a fairer funding allocation for local boards was a necessary change to improve fairness. Local boards have persistently suffered from the lack of transparency of AC activities at the local board level as AC does not provide any pro forma accounting covering all its activities in local board areas.*

*The system also suffers from a process of allocation of available funds (decided by the governing body) rather than a ground up approach to the management of assets and services provided at the local board level. The structure of Auckland Council does not work the way envisaged by the Royal Commission and continues to fail to deliver fair outcomes.*

*The process for achieving equitable outcomes of service levels in all local board areas has been going on for years and corrections have been delayed by the unwillingness of some councillors to give up funds for their areas so that other*



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*councillors' areas might benefit. The result is that no redistribution of basic funding has been made and unfairness persists while AC keeps talking about making improvements.*

*Rather than working from the bottom up on a needs basis, Auckland Council now has a top down funding model (80% population 15% deprivation and 5% land). This model inherently disadvantages areas like Rodney which have a relatively small population (5% of Auckland and a large land area (40% of Auckland)*

*The current proposals are better than making no changes, but they are a bit like putting trainer wheels on the kiddies bicycle that local boards are being taught to ride. The governing body is still struggling to let go any control."*

## **Planning and the new RMA**

Initiatives of AC and the Government to "reform" infrastructure development and growth still do not address the basic disconnect between requirements for centralised planning (by central government agencies and AC) and the rights of landowners (developers and individuals) to get the Court system to let them overturn plans and do what they want when they want.

The system of planning by AC and others needs reform. The messes in Kumeu and Warkworth and absence of any plan for Wellsford, or the Mahurangi as a whole highlight the weaknesses of the Auckland Strategy and Structure Plan and relevant Urban Design Standards as isolated myopic concepts for non-inner city suburban development.

More holistic District planning, involving AC, CG agencies (education, health), the Local Board, developers, and residents and ratepayers to build a consensus for how the area should grow and develop is long overdue.

NAG supports the initiative of local people who want to start a proper process in the Warkworth/ Mahurangi area. We hope AC has the wisdom to engage and support that.

## **Direct Answers to AC questions**

- 1) What do you think of our proposed annual plan?



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Not good enough – more spending cuts and increased user charges needed – see above.

- 2) Do you support a bed night visitor levy paid by those in short-stay commercial accommodation, to fund destination management and major events activities?

Yes, but not to fund as proposed – see above.

- 3) Changes to other rates, fees and charges. What do you think of these proposals?

- a. 3A. What do you think of the waste management proposal?

As before we oppose Council provided waste collections in Rodney and prefer Pay as you throw. (We note the current proposal will cost ratepayers more as standard charges are proposed and collection distances are much greater in Rodney.)

- b. 3B. Would you like to comment on this or the other rates, fees and charges proposals?

We have thanks.

- 4) What do you think of our proposals for your local board area in 2025/2026?

In general we support the programme as proposed by the RLB, but we would like to see some real delegation of authority and support for local management and especially a District holistic planning initiative.

- 5) Do you have any other comments on the Annual Plan 2025/2026?

We would just repeat earlier concerns already submitted in past documents.

Yours sincerely

Bill Foster  
Chairman  
Northern Action Group Inc.