

## CCRG Submission on Auckland Council's 2023/24 Annual Budget

CCRG thank Council for the opportunity to contribute to the above document. We want to start our submissions with a well-known quote from Henry Ford -

“If you always do, what you always did, you'll always get, what you always got”.

Council budgets over recent years represent an excellent example of that maxim. The result is that the citizens of Auckland, through their Council, are now being asked to sacrifice their quality of life because the right decisions have not been made by the right people at the right time to ensure a financially and environmentally secure future for all of us.

That is what has to change now.

If we want to deliver on the stated objectives to have a credible, sustainable, affordable and implementable budget it is important that Council follows its own dictum from the its draft document -

“Balances the need for long-term solutions against the need for fixes that can be put in place immediately. Temporary solutions might create larger budget challenges for future years, whereas solutions that provide ongoing benefits, such as revenue growth or permanent cost reductions, best support long-term financial sustainability”.

From the above it is clear that there are two area we need to scrutinise further. The first is the revenue stream and the second is permanent cost reductions with the latter dependent on the former if long term financial sustainability is to be achieved.

Page 29 of the budget indicates where the major financial flaw lays – Councils external revenue stream is just 6% of total expenditure. That is a totally unsustainable financial situation given that there are huge private benefits from users of Council assets who contribute nothing for that use.

For many decades Councils have worked hard to generate some revenue from this source and these are usually associated with community facilities predominantly used by families such as sports grounds, swimming pools, tennis courts, halls, libraries, museums, art galleries, etc. The revenue generated was considered to be not a full ‘user pays’ arrangement but a reasonable ‘user contributes’ system.

CCRG made a submission to the 2022/23 Auckland Council Annual Plan where exactly the same budget in-balance issues were raised. Briefly the submission suggested that Council had a valid and defensible opportunity to set an annual parking fee for all vehicles to use when parking on public roads and street 24/7 – see attached.

The proposal offers a solution to Councils external revenue gap by requiring every registered vehicle in Auckland to purchase an annual parking permit of (say) \$500.00. This represents a

cost of \$1.37 per day to park a vehicle and is likely very cheap compared to those who currently need to pay for street parking e.g. trades, service and delivery vehicles. This could also mean that current metered parking is likely no longer required other than for use as time limiting devices in town and city centres.

In December last year we were asked to present this revenue generating proposal to Councils Expenditure Control and Procurement committee which occurred on 21 February this year. The committee determined that the matter should be referred to Auckland Transport.

It appears from the current budget papers that the financial situation for Auckland Council has deteriorated even further so the urgency of implementing a proposal based on the formula CCRG have provided is now a top budget priority for the Auckland Council family.

To achieve that end, CCRG would suggest that a viable option for Council to balance its budget would be to require that Auckland Transport's budget be reduced by the current shortfall and increasing annually to a figure of around \$1b. That would result in Council external revenue generating around 20% of total budget expenditure and 50% of transport expenditure.

That arrangement fits perfectly with the ones referred to above that have been in use for decades e.g. a 'user contributes' system rather than a full 'user pays' process.

If Auckland Council is genuine about the commitments it has made in the TERP and Te Tāruke-ā-Tāwhiri there could be no revenue generating opportunity fairer than what CCRG have suggested.

An additional, yet significant revenue contribution for the city centre, would be to increase the annual residential portion of the CCTR from \$65.00 per annum so (say) \$200 per annum per residential property. This would increase the CCTR fund by around \$4m and represent a fairer portion of the resident benefits of the programmes funded from this source.

Noelene Buckland  
Chair CCRG  
[www.ccr.org.nz](http://www.ccr.org.nz)  
021 449995

The logo for CCRG, consisting of the letters 'ccrg' in a bold, lowercase, sans-serif font. The 'c' and 'r' are connected, and the 'g' has a distinctive shape with a small loop at the bottom.