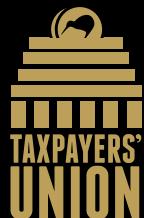




The Inaugural Jonesie Awards -

recognising the best of the worst in
government waste in the last 12 months.

2018



A TAXPAYERS' UNION REPORT

OCTOBER 2018

Foreword: Troy Lanigan



Each year at the Canadian Taxpayers Federation we like to have a little fun with the serious business of government waste.

Since 1999 we've been holding – tongue firmly in cheek – the Teddy Waste Awards on Parliament Hill: Honouring the best of the worst in government waste and overspending. The event is held complete with gilded statuettes, a glamourous hostess, and the anticipated appearance of our friendly mascot, Porky the Waste-Hater.

In fact, the event has become something of an institution on Parliament Hill each year with speculation lining up in advance as to who might receive one of the "coveted" statuettes.

I'm delighted to see the New Zealand Taxpayers' Union extend this tradition to Down Under!

Scanning the Kiwi nominations contained in this report, it appears the infinite creativity of governments wasting our money is a global phenomenon.

Whether in Canada or New Zealand, occasionally, politicians need to be shamed for their enthusiastic abuse of taxpayer funds. As the old saying goes, "sunlight is the surest form of disinfectant."

Receiving an award for the exemplary or innovative waste of public money should absolutely harm a politician's chances at the ballot box – just as, if awarded to a government department, a Teddy or a Jonesie should discredit that agency's demands for extra funding come budget time. I can tell you that the "sunlight" we've put on many a waste story has absolutely led to changes; in one case an entire committee of elected officials having to return tens of thousands of dollars out of their pockets for wrongfully claiming expenses.

But even more important than the punitive aspect of these awards is the chilling effect that a good public

shaming has on wasteful spending decisions. Politicians and bureaucrats, who would otherwise frivolously spend without regard for taxpayers, now have cause to stop and think: "If I sign off on this perk, vanity project, or special handout, could I end up with a Jonesie on my desk?"

I applaud the work of the Taxpayers' Union, a group that within only five years of operation is considered a leading light in our movement internationally. Keep up your fight for lower taxes, less waste, and more transparency!

A handwritten signature in black ink that reads "Troy Lanigan".

Troy Lanigan
CEO, Canadian Taxpayers Federation
Chair, World Taxpayers Associations

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About the Jonesie Waste Awards

The 2018 Jonesie Waste Awards mark the first annual celebration and lamentation of government waste in New Zealand.

The Awards are presented in the spirit of the annual entertainment award season, created to honour the civil servants, government agencies and politicians who signify government waste, over-spending, excessive regulation, lack of accountability, or any combination of the four. A Jonesie may be awarded on the basis of past accomplishments or on a promised initiative.

They give to those who fleece the taxpayer, in a tongue in cheek way, credit they so richly deserve.

The extent of the waste is not the only criteria for a Jonesie nomination – some relatively small spending items have earned nominations thanks to the absurdity of the spending or how they encapsulate a culture of waste or extravagance within a given council, government department, or publicly funded agency.

The New Zealand Taxpayers' Union has chosen five nominees each from central and local government, along with one Lifetime Achievement Award winner.

The waste we highlight is especially galling in the current political context, where the new Government cries poverty when it comes to increasing pay for nurses and teachers, at the same time as it demands more revenue from taxpayers (through, for example increased fuel taxes and a levy on tourists).

Similarly, local councils across the country forecast rate hikes of above 50 percent over the next decade just to fund basic services – but despite supposedly tight budgets, we struggled to bring our local nominee shortlist down to 15, let alone five nominations.

And that's why these examples of waste, even the small ones, matter – they make a lie of the idea that government must just take and take. When central or local government

encounters financial strife, the first response should always be to review one's own budget, not to chip away at the budgets of taxpayers.



The Canadian Teddy Awards



The Teddy Awards were established by the Canadian Taxpayers' Federation in 1999 and have been hosted annually ever since. They are announced in the press conference room of the Canadian Parliament, comparable to New Zealand's own Beehive Theatrette.

Recent winners include an \$8 million Parliamentary skating rink, a \$25,000 18-foot talking Christmas tree, payment of a snowplough service to plough non-existent snow, and a \$5,000 reward for the best haiku about the Edmonton bus service.

The Teddies are named in honour of an individual adept at wasting taxpayers' money – Ted Weatherill. Mr Weatherill was the former chairman of the Canadian Labour Relations Board, who racked up nearly \$150,000 in incidental expenses – including, famously, spending 700 Canadian dollars of taxpayers' money on a lunch for two. He was fired in the late 1990s, but his legacy lives on in the annual awards.

01

HASTINGS DISTRICT COUNCIL: \$50,000 ON COUNCIL LUNCHES

Hastings District Council spent \$116,371 on catering in 2017 – more than \$50,000 of which was for elected members. This blowout on ratepayer-funded feasts was first signalled in an Instagram post from a local caterer, captioned “Lunch Time Catering for Hastings District Council”, displaying a spread of sushi, dried meats, cheeses, hummus, liquorice twists and Whittaker’s chocolate. This led to a broader Taxpayers’ Union investigation revealing that local councils across New Zealand spent a total of around \$6 million on catering in 2017 alone¹.



02

AUCKLAND COUNCIL: THE VEGAN-APPROVED GOAT HUNT

Auckland Council spent \$91,742 on a Hunua Ranges goat cull in 2016/17 that killed zero goats. All up, the Council spent \$401,658 on professional goat hunters over five years – a cost of \$1646 per goat. The kicker: amateur hunters have said they would happily do the job for free – but the Council bans them from doing so. The Council is apparently as skilled in eliminating goats as it is in eliminating wasteful spending².



2018 Local Government Nominations

03

CHRISTCHURCH CITY COUNCIL: THE ‘TOUCH WALL’ DEBACLE

Christchurch City Council spent \$1.25 million on a seven-metre touch screen for their new library. Originally, the Council had refused to release the figure to the Taxpayers’ Union, citing ‘commercial sensitivity’. When the Union referred the matter to the Ombudsman, the complaint was upheld – and yet the Council still withheld the figure. It wasn’t until the Union threatened legal action that the Council revealed the ‘touch wall’s seven-digit cost, to Christchurch ratepayers’ dismay³.



04

AUCKLAND COUNCIL: THE BROKEN MIRROR

Auckland Council spent \$260,000 on a 2.4-metre-wide mirror, hung between buildings in the centre city – only to have it crack open a week after its unveiling. The original budget for the project was \$80,000, but costs were blown out by heritage reports and health and safety reviews. If Auckland Mayor Phil Goff is wondering why the city’s finances are under strain, perhaps he should look in the mirror⁴.



05

AUCKLAND TRANSPORT: THE WHITE ELEPHANT CYCLEWAY

After spending \$4 million on a Grey Lynn cycleway, Auckland Transport is now spending \$23-35 million fixing it. The broken cycleway arrangement resulted in shops being flooded, a bus stop hiding a pedestrian crossing, and cyclists exposed to open car doors. Perhaps the spend would be worth it, if the cycleway was heavily used – but video from a fine weekday morning shows just six cyclists using the cycleway between 7am and 8am⁵.



01

CALLAGHAN INNOVATION: DRAG QUEENS AND PEDOMETERS

Callaghan Innovation spent \$1,141,230 on ‘entertainment’ and gifts in the four years to 2017 – including boozy dinners, drag queens, and even pedometers for staff. This is a stunning spend up from an agency that most New Zealanders haven’t even heard of. The Taxpayers’ Union’s revelation of the spend-up led to stern words from Innovation Minister Megan Woods, and the agency has now tightened up its spending policy⁶.



02

NEW ZEALAND FILM COMMISSION: POWER RANGERS PAVLOVA

The New Zealand Film Commission paid American producers of the children’s TV show “Power Rangers” \$1.6 million to include references to New Zealand in its script. One example was a subplot involving a New Zealand-born character trying to make a pavlova. The \$1.6 million was on top of a \$6.5 million subsidy for basing production in New Zealand. All up, film and television producers have received \$575 million from New Zealand Taxpayers since 2010⁷.



2018 Central Government Nominations

03

INLAND REVENUE DEPARTMENT: ORWELLIAN ‘TAX IS LOVE’ CAMPAIGN

IRD paid \$40,000 to The Spinoff to publish a series of articles on “Tax Heroes”, promoting the tax system and tax compliance to the point of stating “Tax is love”. With only six articles published, the per-article cost was \$6,600. One article explicitly promoted the introduction of a capital gains tax – despite IRD’s constitutional requirement for political neutrality, a requirement reiterated in the terms of their agreement with the Spinoff⁸.



04

SHANE JONES: ‘CHARDONNAY EXPRESS’

Gisborne’s ‘Chardonnay Express’, a locomotive wine tour, received a share of \$60,000 given to three tourism businesses as part of the Provincial Growth Fund. On the train route, passengers are served eight chardonnays, “matched to generous canapes”. Despite hammering working New Zealanders with alcohol excise taxes, the Government seems to think chardonnay swilling should be subsidised⁹.



05

MINISTRY OF SOCIAL DEVELOPMENT: TAXPAYER-FUNDED SIMS

The Ministry of Social Development spent \$150,000 developing a video game to teach people how to run a business. The “Tycoon Game” series is modelled after and will compete with the likes of The Sims and Zoo Tycoon. The Ministry hopes it will teach “emotional intelligence and cognitive flexibility”. The Ministry does not appear to have considered whether businesspeople would prefer their taxes to be lowered, instead of being spent on games¹⁰.



2018 Lifetime Achievement Award

The winner of the Jonesie for Lifetime Achievement in Waste will be little surprise to those who have considered the namesake for these awards. The inaugural winner of the Lifetime Achievement Award in Waste Award is Hon Shane Jones, Minister for Regional Economic Development, Infrastructure, and Forestry.

Shane Jones' apprenticeship in government waste came quickly. As a red-blooded Minister in the previous Labour Government, he famously grasped the full benefits of his Ministerial expense card.

Next, the National Government granted him a cushy stint as a well-paid diplomat sipping piña coladas across the Pacific.

“Time flies when you’re having fun,” said Jones as he left the role after three years, his lust for spending others’ money still not satisfied. Now a Cabinet Minister for New Zealand First, it is in his current incarnation as self-appointed Champion

of the Regions that he has truly elevated the artform of pork barrel politics and wasting taxpayer money.

The Provincial Growth Fund¹¹ was the biggest win from New Zealand First’s coalition negotiations – a \$3 billion¹² pot of funds to be doled out to businesses, iwi groups, and local councils according to the personal judgment and political whim of one Hon Shane Jones.

This policy has seen taxpayer money spent on the Chardonnay Express, a high-speed gondola, a cathedral, waterfront beautifications, and various failed railway lines. One tourism centre in Kawakawa¹³ received a \$2.4 million grant to create just three jobs.

Perhaps the most stunning achievement of Shane Jones’s waste is that it has barely begun – so far just 10 percent of Provincial Growth Funding has been allocated. There is a serious concern that when Shane Jones negotiated his \$3 billion





fund, he may not have fully conceptualised just how large a figure three billion was.

To use up his funding, he needs to spend \$3 million dollars every day (including weekends and public holidays). And so far, he's not keeping up. The good news for Shane Jones – and bad news for the taxpayer – is that with little to zero cost-benefit-analysis of his funding decisions, he can simply generate larger and larger grants, regardless of need. Indeed, his allocations appear to be growing. Last month alone, \$27 million was allocated to Rotorua tourism projects with barely a flutter of media coverage.

And this is what makes Shane Jones's achievement in waste truly special. The sheer scale of his waste is so momentous that the public and news media are set to become numb to it. He is paving the way for a new era of pork barrelling not seen since the days of Sir Robert Muldoon. The Taxpayers' Union says this, compounded by Mr Jones' historical indulgence, makes him a truly deserving winner of the 2018 Lifetime Achievement Award, and a fitting namesake for the Jonesies in 2018 and beyond.

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Lifetime Achievement Award

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