

11 February 2019

Public Submissions: Advisory Officer
Auckland Regional Amenities Funding Board
PO Box 6969, Wellesley Street
Auckland 1141

Auckland Regional Amenities Funding Board Drafting Funding Plan 2019/2020 – Submission

To the Chair, Auckland Regional Amenities Funding Board

Auckland Council would like to make this submission on the 2019/2020 draft funding plan. Council is conscious of its role in the Auckland Regional Amenities Funding Act (the Act) funding process, which in terms of decision making is limited to approving or rejecting the proposed levy. When making this decision, council must have regard to the funding principles contained within the Act. As a result of this limited role, council's submission is focused on the draft funding plan as a whole, rather than focusing on the proposed grants to individual amenities.

Council acknowledges the contribution the Funding Board and the regional amenities make to Auckland. The activities of the amenities help make Auckland a better place to live and visit. Council is also cognisant of the ongoing funding pressures each amenity faces, and especially those within the arts arena.

Council is pleased to note that the amenities have enjoyed substantial increases in funding since the Auckland Regional Amenities Funding Act 2008 (the Act) came into force. The total funding under the Act increased from \$8,700,000 in 2009 to \$16,154,500 in 2017/2018 year. The ratepayer support to the amenities has effectively doubled since the Act came into force. In addition to the operational funding provided to the amenities provided via the Funding Board, council has also made significant contributions to capital projects undertaken by a number of the amenities.

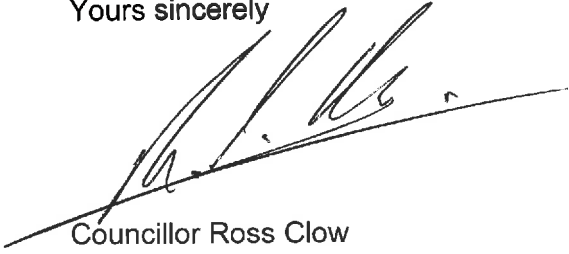
The increase in funding provided demonstrates the significant support that ratepayers provide to the amenities, and that council has increased its contribution to meet the increased demands on the amenities over time, and as the region has grown.

The Auckland Regional Amenities Funding Act 2008 states that funding is only available if the amenity has made all reasonable endeavours to maximise its funding from other available funding sources. In other words, council is meant to be the funding of last resort. Whilst we acknowledge that the funding environment that the amenities operate in is challenging, we would ask that the Funding Board continue to work with the amenities to ensure that they are actively seeking to increase their non-rates sources of revenue.

The funding levy request for the 2019/2020 year is 6.18% higher than the 2018/2019 year, at \$15,504,500. Council is again concerned that the future projections for 2020/2021 and 2021/2022 are significantly higher at 18.64% (17,374,160) and 24.18% at \$18,133,629. There appears to be a pattern of behaviour from the amenities to signal large increases in future years. Council would ask that the Funding Board continue to work with the amenities to ensure that their financial forecasting is realistic. This would greatly assist council with its own financial planning.

Finally, we would appreciate it if council staff from the CCO Governance/External Partnerships department could speak to this submission at the appropriate Funding Board meeting.

Yours sincerely



Councillor Ross Clow
Chair, Finance & Performance Committee
Councillor , representing Whau Ward



Councillor Desley Simpson, JP
Deputy Chair, Finance & Performance Committee
Councillor, representing Orakei Ward