

Auckland Regional Amenities Funding Board - Te Poari ā-Takiwā Tuku Pūtea Taonga Whakaahuru

BOARD PACK

for

ARAFB Business Meeting

Friday, 28 April 2023

10:00 am (NZST)

Held at:

Offices of Buddle Findlay (Primary Location)

Level 18, 188 Quay Street, Auckland 1010

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AGENDA

ARAFB BUSINESS MEETING

Name:	Auckland Regional Amenities Funding Board - Te Poari ā-Takiwā Tuku Pūtea Taonga Whakaahuru
Date:	Friday, 28 April 2023
Time:	10:00 am to 12:00 pm (NZST)
Location:	Offices of Buddle Findlay (Primary Location), Level 18, 188 Quay Street, Auckland 1010
Board Members:	Scott Pearson (Chair), Anita Killeen, Lyn Lim, Megan McSweeney, Moana Tamaariki-Pohe, Paula Browning
Attendees:	Advisory Officer - Leigh Redshaw
Apologies:	Alastair Carruthers, Victoria Carter , Bryan Mogridge
Notes:	As the Auckland Council Governing Body meeting will only occur on 27 April 2023, it will be necessary to provide an oral update on the outcome of that meeting, and how the outcomes of that meeting impact on the decisions to be made by the Funding Board on 28 April 2023.

1. Opening Meeting

1.1 Opening Karakia

Scott Pearson

A karakia will be undertaken at the opening of the meeting.

1.2 Apologies

Scott Pearson

At the close of the agenda apologies for leave had been received from Victoria Carter, Bryan Mogridge and Alastair Carruthers.

1.3 Confirm Minutes

Scott Pearson

That the ordinary minutes of the meeting of the Auckland Regional Amenities Funding Board held on 28 March 2023, including the confidential sections be to confirmed as a true and correct record, and the Advisory Officer be authorised to affix the chairs electronic signature to the minutes.

1.4 Extraordinary Business

Scott Pearson

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

(a)	The local authority by resolution so decides; and	
(b)	The presiding member explains at the meeting at a time when it is open to the public-	
	(i)	The reason why the item is not on the agenda; and
	(ii)	The reason why the discussion of the item cannot be delayed until a subsequent meeting.”
Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:		
“Where an item is not on the agenda for a meeting:		
(a)	That item may be discussed at that meeting if-	
	(i)	That item is a minor matter relating to the general business of the local authority; and
	(ii)	The presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
(b)	no resolution, decision, or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”	

1.5 Interests Register

Scott Pearson

DECLARATIONS OF CONFLICT OF INTEREST

Funding Board Directors are reminded of their obligation to maintain a clear separation between their personal interests and their duties as an appointed member of the Funding Board.

Directors should therefore be vigilant to stand aside from decision making when a conflict (or a perceived conflict) arises between their role as a Director and any private or other external (either pecuniary or non-pecuniary) interest they may have.

Any interests should be declared at the commencement of consideration of any item on this agenda and the member concerned abstain from voting or discussion on the item or leave the room for the duration of its consideration.

Opportunity for members to update the Register of Members Interest.

That the Register of Members Interest be updated as required.

The Register will also be tabled at the meeting for members to update as required.

Supporting Documents:

1.5.a	Interests Register	8
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2. 2023 Funding Plan and Fixing the Levy

2.1 2023 Funding Plan and Fixing the 2023-2024 Annual Levy

Advisory Officer - Leigh Redshaw

Auckland Council will meet on 27 April 2023 to consider the proposed levy of \$17,347,179 for 2023-2024, in accordance with section 30 of the Auckland Regional Amenities Funding Act 2008. If approved, it is necessary for the Funding Board to adopt the Funding Plan for

2023-2024; confirm the grant allocations and conditions to be made to each specified amenity; and to fix the amount of the levy payable by the Auckland Council on 1 July 2023.

An abridged version of the Auckland Council Governing Body report for 27 April 2023 is attached.

If Auckland Council rejects the proposed levy, the processes laid down in the Act will need to be followed in order for the levy to be finalised for 2023-2024.

Details of the outcome of the Auckland Council meeting to be held on 27 April 2023 will be verbally presented at the meeting on 28 April 2023.

Supporting Documents:

2.1.a	20230421 Memo Adopt 2023-2024 Funding Plan Grant Allocations .pdf	13
2.1.b	20230427 Governing Body Levy Report Abridged Version.pdf	18

3. Exclusion of the Public

3.1 Exclusion of Public: Local Government Official Information & Meetings Act

Scott Pearson

item 3.2

Leigh Redshaw	
<u>Advisory Officer</u>	
<u>Section 48, Local Government Official Information and Meetings Act 1987:</u>	

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as detailed below:

Mr Matt Williams (CEO, SLSNR), and Mr Paul Dalton (CEO, SLSNZ) will be present for part of item 3.2 only.

3.2 Surf Life Saving Northern Region - Restructuring Proposal

Scott Pearson

An opportunity for the Directors to discuss matters concerning a proposal from Surf Life Saving Northern Region (SLSNR) / New Zealand, specifically relating to the future governance, management and operational matters of the Northern Region operations, and any impacts that the changes may have regarding SLSNR's on-going qualification as a Specified Amenity.

Reason for passing this resolution in relation to each matter:	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>Section 7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>Section 7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>Section 7(2)(h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</p> <p>Section 7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>Public conduct of matter would be likely to result in disclosure of information for which good reason to withhold exists under section 7.</p>

Mr Matt Williams, CEO - SLSNR, and Mr Paul Dalton, CEO - SLSNZ will be present for the first part of this item.

3.3 2023-2024 Funding Plan; Grant Allocations; and Fixing the Levy

Scott Pearson

Reason for passing this resolution in relation to each matter:	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<p>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>	<p>Section 7(2)(h) Enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.</p> <p>Section 7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>Public conduct of matter would be likely to result in disclosure of information for which good reason to withhold exists under section 7.</p>

An opportunity for the Directors to discuss matters relating to the process to be followed should Auckland Council reject the levy payable for 2023-2024 at its Governing Body meeting to be held on 27 April 2023. An oral update on the outcome of the meeting will be provided.

4. Close Meeting

4.1 Close the meeting

Next meeting: ARAFB Business Meeting - 27 Jun 2023, 10:00 am

A karakia will be recited at the conclusion of the meeting.

Interests Register

Auckland Regional Amenities Funding Board - Te Poari ā-Takiwā Tuku Pūtea Taonga Whakaahuru

As of: 21 Apr 2023

Person	Organisation	Active Interests	Notice Date
Alastair Carruthers	Auckland Unlimited	Director	11 Aug 2022
	Carruthers Consulting Ltd	Director and Shareholder	11 Aug 2022
	Cornwall Park Trust Board	Trustee	11 Aug 2022
	Homeland NZ Enterprises Ltd	Director and Shareholder	11 Aug 2022
	Homeland NZ Trading Ltd	Director and Shareholder	11 Aug 2022
	New Zealand Film Commission	Chair	1 Oct 2022
	Ring Hora, Services Workforce Development Council, Tertiary Education Commission	Trustee and Board Member	11 Aug 2022
	Tāmaki Paenga Hira - Auckland War Memorial Museum	Trustee and Board Member	11 Aug 2022
Anita Killeen	American Bar Association Animal Law Committee	International Associate Member	11 Aug 2022
	Auckland Theatre Company Ltd	Patron	11 Aug 2022

	Commission for Financial Capability Adjudication Panel	Panel Member	11 Aug 2022
	Domain Name Commission Board	Director	28 Jul 2022
	Engineering New Zealand Disciplinary Tribunal	Tribunal Member	11 Aug 2022
	Financial Services Complaints Ltd	Mediation Panel Member	11 Aug 2022
	Independent Complaint and Review Authority	Adjudication and Mediation Panel Member	28 Jul 2022
	Institute of Professional Legal Studies	External Moderator and Standards Assessor	11 Aug 2022
	International Association of Prosecutors	New Zealand Member	11 Aug 2022
	Netsafe New Zealand	Deputy Chair	11 Aug 2022
	New Zealand Law Society Costs Assessor	Panel Member	11 Aug 2022
	New Zealand Law Society Litigation Skills Programme	Panel Member	11 Aug 2022
	Ngai Tai Ki Tamaki Commercial Board	Deputy Chair	28 Jul 2022
	Quay Chambers	Barrister	28 Jul 2022
	Silo Theatre	Patron	11 Aug 2022
	SPCA Auckland	Director	28 Jul 2022
	The Pro Bono Panel of Prosecutors for the SPCA Auckland	Chair	28 Jul 2022
	UNICEF New Zealand	Director	28 Jul 2022
Bryan Mogridge	Adherium Ltd (AUS)	Shareholder	11 Aug 2022

	BUPA ANZ Ltd (AUS)	Chair	11 Aug 2022
	Clearspan Property Ltd	Director and Shareholder	11 Aug 2022
	Mainfreight Ltd	Director	11 Aug 2022
	Massey University Foundation	Trustee	11 Aug 2022
	Mogridge and Associates Ltd	Director and Shareholder	11 Aug 2022
	Sea Dragon Ltd	Director	11 Aug 2022
	The Energy Education Trust	Trustee	11 Aug 2022
	The Starship Foundation	Trustee	11 Aug 2022
	Thinextra Pty Ltd (AUS)	Director and Shareholder	11 Aug 2022
Lyn Lim	Asia New Zealand Foundation	Trustee	11 Aug 2022
	Eva Fong Urology Ltd	Shareholder	11 Aug 2022
	General Capital Ltd	Director	11 Aug 2022
	Hartajaya Investments Ltd	Director and Shareholder	11 Aug 2022
	Institute of Directors	Chartered Member	11 Aug 2022
	Inter Pacific Bar Association - Women in Business Committee	Vice Chair	11 Aug 2022
	Kaya Investments Ltd	Director and Shareholder	11 Aug 2022
	New Zealand Law Society	Member	11 Aug 2022
	Onesixone Medical Group Ltd	Shareholder	11 Aug 2022
	Restaurant Brands Ltd	Director	11 Aug 2022
Megan McSweeney	TBA	TBA	1 Nov 2022
Moana Tamaariki-Pohe	Maurea Consulting	Head of Training	1 Nov 2022

	Ngāti Whātua Whai Mai Ltd	Lead - Business Mentoring	9 Jan 2023
	Orākei Water Sport Inc	President	9 Jan 2023
	Tāmaki Paenga Hira - Auckland War Memorial Museum	Representative - Taumata a Iwi	9 Jan 2023
Paula Browning	Creative New Zealand and Ministry of Culture and Heritage	On-going engagement with CNZ through role at WeCreate	28 Jul 2022
	Institute of Directors	Chartered Member	28 Jul 2022
	MCH - Heritage Artist Resale Royalty Advisory Group	Member	18 Oct 2022
	WeCreate Incorporated	Chair	28 Jul 2022
Scott Pearson	Association of Certified Fraud Examiners	CFE	28 Jul 2022
	Auckland Council	Contractor - Three Waters Project	28 Jul 2022
	Chartered Accountants Australia New Zealand	Chartered Accountant	28 Jul 2022
	CPA Australia	FCPA	28 Jul 2022
	Gambling Commission	Commissioner	27 Jul 2022
	Institute of Directors	Chartered Member	28 Jul 2022
	Selwyn College	Trustee	27 Jul 2022
	The Big Idea	CFO	27 Jul 2022
Victoria Carter	Auckland Eye	Director	8 Feb 2023
	Camben Farms Ltd	Director	28 Jul 2022
	Camden Investments Ltd	Director	28 Jul 2022
	Carter Bloodstock Ltd	Director	28 Jul 2022
	Davies-Booth Associates	Director	28 Jul 2022

Friends of Laura Fergusson Trust Inc.	Chair	28 Jul 2022
Institute of Directors	Chartered Fellow	28 Jul 2022
James Fletcher Management	Director	28 Jul 2022
Ngati Awa Asset Holdings	Director	28 Jul 2022
Ngati Awa Group Holding Ltd	Director	28 Jul 2022
Ngati Awa The Strand Development GP Ltd	Director	28 Jul 2022
Ngati Awa Tourism	Director	28 Jul 2022
Waka Kotahi - People Culture and OSH	Chair	28 Jul 2022
Waka Kotahi (NZTA)	Director	28 Jul 2022

AUCKLAND REGIONAL AMENITIES FUNDING BOARD

Memo

21 April 2023

To: Chair and Directors Auckland Regional Amenities Funding Board

From: Leigh Redshaw, Advisory Officer

Subject: 2023-2024 Funding Plan – Adopt the Funding Plan and Fix the Levy

1. At its meeting on 21 February 2023 the Funding Board resolved to adopt the draft 2023-2024 Funding Plan and to forward the plan and details of the proposed levy of \$17,347,179 to Auckland Council for consideration and approval.
2. All necessary information was forwarded to Auckland Council in sufficient time for the matter to be considered at the Finance and Performance Committee meeting in March 2023. Auckland Council chose to defer the matter until 27 April 2023 in order to assess the impact of the levy on its budget for 2023-2024.
3. In February 2023 the Funding Board included a number of conditions relating to the grant allocations to Auckland Rescue Helicopter Trust and Surf Life Saving Northern Region Inc. As there are still aspects of the conditions that remain unsatisfied as at the date of this meeting, these conditions have been updated to enable them to be carried over into the next financial year.
4. Auckland Council Governing Body will meet on 27 April 2023 to consider the 2023-2024 Funding Plan and levy of \$17,347,179.
5. At the date of this agenda, the outcome of the meeting is unknown and an oral update will be provided at the meeting.
6. If the levy is approved, it is necessary for the Funding Board to confirm the final allocation of grants to the specified amenities (including any conditions attached to the grants); adopt the 2023-2024 Funding Plan; and to fix the levy for 2023-2024, (ss 30 and 35 of the Act).
7. The Funding Board must give notice of the levy to Auckland Council no later than 30 April 2023.
8. Once completed, copies of the final version of the 2023-2024 Funding Plan must be distributed to the eight Specified Amenities and Auckland Council and must be available to the general public upon application.
9. A copy of the Funding Plan will be listed on the boards website and public notices published in the New Zealand Herald advising that copies of the plan are available.
10. If Auckland Council rejects the proposed levy, the arbitration processes laid down in the Act will need to be initiated and followed in order for the levy to be finalised for 2023-2024.

Recommending:

That the Funding Board:

A) Approves the allocation of grants to the eight Specified Amenities as:

Specified Amenity	Grant Allocation 2023-2024
Auckland Festival Trust	\$4,187,000
Auckland Philharmonia Trust**	\$4,741,729
Auckland Rescue Helicopter Trust	\$450,000
Auckland Theatre Company Ltd**	\$2,222,000
Drowning Prevention Auckland -WaterSafe Auckland Incorporated	\$1,178,750
New Zealand Opera Limited	\$1,260,000
Stardome – Auckland Observatory and Planetarium Trust Board	\$1,488,000
Surf Life Saving Northern Region Inc	\$1,447,460
Total Grants Payable	\$16,974,929
Funding Board Administration Budget	\$372,250
Total Grants and Administration Costs	\$17,347,179
Total Levy Payable by Auckland Council	\$17,347,179

B) Confirms the conditions attached to the 2023-2024 grants as follows:

i. Auckland Rescue Helicopter Trust (ARHT):

ARHT has entered into a joint venture arrangement with the Northland Emergency Services Trust (NEST) to establish a jointly owned company (Northern Rescue Helicopter Limited (NRHL)). NRHL won the government National Ambulance Sector Office (NASO) contract for services in the Northern Region (including Auckland). As a result of this contract ARHT and NEST are undergoing a review of the governance, management and operational delivery of rescue helicopter services into the Northern Region, with the view to consolidating rescue helicopter operations into one entity. The precise terms of the proposed consolidation, and the impact on ARHT and its ongoing status as a Specified Amenity are not yet known.

- A. Prior to distributing the grants for 2023-2024, the Funding Board, in its sole discretion, and having regard to the requirements of the Auckland Regional Amenities Funding Act (Act), must be satisfied in all respects with how the proposed restructuring impacts the operations of ARHT, including:
1. with the proposed governance, management, and operational structure of ARHT from 1 July 2023; and
 2. ARHT's ongoing compliance with the Act and its purposes; and
 3. the delivery of services and community facilities (if applicable) by ARHT into the Auckland region.
- B. The release of grant funding to ARHT for 2023-2024 will be conditional on ARHT fully complying with its obligations under section 39 of the Act, including submitting its annual report and audited financial statements relating to the year ending 30 June 2022 by no later than 31 May 2023. Such report and audited financial statements must be in a form acceptable to the Funding Board, having regard to the requirements of the Act, and must be accompanied by the equivalent reporting and audited financial statements for ARHT's affiliate NRHL.
- C. If, between April 2023 and prior to 14 August 2023, the Funding Board, at its sole discretion, is not satisfied with the governance, management, or operational structure of ARHT for the 2023-2024 financial year, or if the Funding Board becomes aware or is notified of any actual or proposed changes to the nature and scope of the facilities or services to be provided directly by ARHT during the 2023-2024 financial year, or with the other matters contemplated by condition A above:
- the grant payment to ARHT may be reduced or withheld completely, with any amount withheld being returned to Auckland Council; or
 - the Funding Board may impose one or more additional conditions on ARHT as the recipient of the grant payment, with a view to ensuring that any grant payment made to ARHT is utilised only by ARHT and in a manner that is consistent with the assessment criteria, funding principles and the other requirements of the Act.
- C. If at any time during 2023-2024 financial year to which the funding relates, the trustees of ARHT approve a restructure of ARHT in a manner that materially changes the nature of what ARHT does itself, or approve a material change to the assets and services that ARHT itself provides, or a change that results in ARHT no longer providing facilities or services itself or no longer meeting the requirements of a Specified Amenity under the Act:
- the trustees of ARHT will be required to notify the Funding Board in writing with an explanation of the change, with such notice to be provided promptly following any such approval and before the change is implemented by ARHT;
 - the funding allocated to ARHT for 2023-2024 may be suspended by the Funding Board in which case it will no longer be available

to ARHT, and the Funding Board will have the right to require that some or all of the funding already paid to ARHT for that year must be promptly repaid to the Funding Board, in which case ARHT shall repay such amount upon demand. Any amount repaid to the Funding Board will be returned to Auckland Council; and

- for the avoidance of doubt, no amount of the grant funding that has been allocated to ARHT will be available to be transferred by ARHT and utilised by any entity other than ARHT.

ii. Surf Life Saving Northern Region Inc.

The northern regional surf clubs initiated and co-ordinated a review of Surf Life Saving Northern Region Inc. (SLSNR), with the view to consolidating SLSNR operations into Surf Life Saving New Zealand (SLSNZ) with effect within the next 24 months. The details of the terms of the proposed consolidation, and the impact on SLSNR have now been presented to the Funding Board for consideration.

- A. Prior to distributing the grants for 2023-24, the Funding Board, in its sole discretion, and having regard to the requirements of the Auckland Regional Amenities Funding Act (Act), must be satisfied in all respects with how the proposed SLSNZ consolidation project impacts the operations of SLSNR, including:
1. with the proposed governance, management, and operational structures of SLSNR from 1 July 2023; and
 2. SLSNR's ongoing compliance with the Act and its purposes; and
 3. the delivery of services and community facilities (if applicable) by SLSNR into the Auckland region.
- B. If, between April 2023 and prior to 14 August 2023, the Funding Board, at its sole discretion, is not satisfied with the proposed governance, management, and operational structures of SLSNR for the 2023-2024 financial year or with the other matters contemplated by condition A above, the grant payment to SLSNR may be reduced or withheld completely, with any amount withheld being returned to Auckland Council.
- C. If at any time during the period to which the funding relates, SLSNR is restructured in a manner that materially changes the nature of what SLSNR does itself, or results in SLSNR no longer providing facilities or services itself or no longer meeting the requirements of a Specified Amenity under the Act, the funding allocated to SLSNR for 2023-2024 will no longer be available to SLSNR, and the Funding Board will have the right to require that some or all of the funding already paid to SLSNR for that year must be promptly repaid to the Funding Board, in which case SLSNR shall repay such amount upon demand. Any amount repaid to the Funding Board will be returned to Auckland Council.

- C) Confirms the total levy requirement for 2023-2024 from Auckland Council as \$17,347,179 and requests the Advisory Officer to advise Auckland Council in accordance with the provisions in the Act.
- D) Adopts the 2023-2024 Funding Plan, subject to the Funding Plan and Annual Report Working Group being authorised to update the 2023-2024 Funding Plan to make any editorial changes necessary to finalise the plan.
- E) Requests the Advisory Officer to distribute copies of the final 2023-2024 Funding Plan in accordance with the provisions in the Act.

Should Auckland Council at its meeting on 27 April 2023 reject the proposed levy, it will be necessary to develop an alternative set of resolutions that sets out the process for the board to follow to finalise the levy, including establishing a working group with delegated authority to undertake the steps necessary to conclude the levy setting process for 2023-2024.



I hereby give notice that an ordinary meeting of the Governing Body will be held on:

Date: Thursday, 27 April 2023
Time: 10.00am
Meeting Room: Reception Lounge
Venue: Auckland Town Hall
 301-305 Queen Street
 Auckland

Tira Hautū / Governing Body

OPEN AGENDA

MEMBERSHIP

Mayor	Wayne Brown	
Deputy Mayor	Cr Desley Simpson, JP	
Councillors	Cr Andrew Baker	Cr Mike Lee
	Cr Josephine Bartley	Cr Kerrin Leoni
	Cr Angela Dalton	Cr Daniel Newman, JP
	Cr Chris Darby	Cr Greg Sayers
	Cr Julie Fairey	Cr Sharon Stewart, QSM
	Cr Alf Filipaina, MNZM	Cr Ken Turner
	Cr Christine Fletcher, QSO	Cr Wayne Walker
	Cr Lotu Fuli	Cr John Watson
	Cr Shane Henderson	Cr Maurice Williamson
	Cr Richard Hills	

(Quorum 11 members)

Sarndra O'Toole
Kaiarataki Kapa Tohutohu Mana Whakahaere /
Team Leader Governance Advisors

21 April 2023

Contact Telephone: (09) 890 8152
 Email: sarndra.otoole@aucklandcouncil.govt.nz
 Website: www.aucklandcouncil.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.

Governing Body
27 April 2023



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Consideration of funding contributions to regional cultural and safety amenities 2023/2024

File No.: CP2022/17526

Te take mō te pūrongo

Purpose of the report

1. To consider Auckland Council funding contributions for:
 - i) Auckland War Memorial Museum (AWMM)
 - ii) Auckland Regional Amenities Funding Act amenities (ARAFA)
 - iii) Museum of Transport and Technology (MOTAT)

Whakarāpopototanga matua

Executive summary

Context

2. Three separate Acts enable these organisations to require a funding contribution (“levy”) from the council.
3. While superficially similar each of the funding systems have distinct differences. In summary:
 - i) AWMM is funded for both operational and capital expenditure
 - ii) ARAFA is a funding distribution system, and grants to the eight specified amenities under the Auckland Regional Amenities Funding Act 2008 (**ARAFA Act**) are only available for operational expenditure
 - iii) MOTAT is funded for both operational and capital expenditure and highlights in their annual plan where funding is requested for key capital projects.
4. The Auckland Regional Amenities Funding Board (**ARAFA Funding Board**) was established under the ARAFA Act, collect the levy from the council and distribute it as grants to the eight Specified Amenities named in the legislation.

Funding requests for 2023/2024

5. Over the last three years, the entities have responded to the council’s requests to moderate their levies, and this has been appreciated.
6. All three levies must be set by 30 April 2023, either through agreement or, failing that, arbitration.
7. The funding process for the entities has been complicated by the impacts of rising interest and inflation costs on the entities and the council. The financial position of the council and the challenges it is facing have been well communicated to each entity throughout the process. The entities have responded positively with moderated levy requests, which is welcome.
8. The combined levy amounts proposed by the three entities for financial year 2023/2024 is \$69,714,429, with the breakdown shown below. This exceeds the budget provision in the 10-year Budget 2021-2031 (LTP) by \$864,990.
 - i) AWMM: \$33,840,000
 - ii) MOTAT: \$18,527,250
 - iii) ARAFB: \$17,347,179

Governing Body
27 April 2023



Item 12

9. Staff recommend the council to refuse the AWMM's \$33,840,000 levy request and approve a lev of \$33,260,000 instead. As a result, the total combined levy amount recommended for approval for 2023/2024 is \$69,134,429. This is a 2 per cent increase compared to the payment in 2022/2023 and \$284,990 more than the original budget provision in the LTP.
10. A potential increase to the levy payment for 2023/2024 was identified as a cost pressure and included in the draft budget for consultation. Approving the recommended combined levy of \$69,134,429 will not specifically add further pressure to the group budget position forecasted in the draft budget. However, it is worth noting that other factors such as recovery costs related to the storm events and any changes in economic conditions may make the budget gap more difficult to manage through the post-consultation phase of the annual budget process.

Auckland War Memorial Museum

11. **AWMM** is seeking \$33,840,000 which is a 4.8 per cent increase on the previous levy and higher than the council budget provision. AWMM's draft Annual Plan 2023/2024 and accompanying letter are at **Attachments A and B**.
12. AWMM initially proposed levy of \$35,130,000 which is an increase of 8.8 per cent (\$2,838,000) on the previous year and more than the levy amount budgeted by the council.
13. Council representatives led by the Deputy Mayor have had numerous conversations with AWMM board and staff to communicate the council's very serious financial constraints. AWMM amended their ask to \$33,840,000 (4.8 per cent increase). Council representatives have since had communications with AWMM and consider that a 3 per cent increase is appropriate.
14. Staff recommend that the council refuse the \$33,840,000 levy request (4.8 per cent increase) and instead approve a levy of \$33,260,000 (3 per cent increase). This amount provides AWMM with a needed levy increase without adding further pressure to the council's financial position, as forecasted in the draft annual plan for 2023/2024.

Auckland Regional Amenities Funding Board

15. **The ARAFA Funding Board** is seeking \$17,347,179. This represents an overall increase of \$436,700 compared to 2022/2023. The ARAFA Funding Plan for 2023/2024 and letter from the ARAFA Funding Board are at **Attachments C and D**.
16. The biggest increases are directed to the Auckland Philharmonia Orchestra (\$150,000) and Auckland Theatre Company (\$202,000). The increases have been signalled with the council over several years.
17. The ARAFA Funding Board note that the Specified Amenities return a proportion of the annual levy back to the council in the form of rent, hire charges, rates and regulatory charges. In 2023/2024 that amount is estimated to be \$2,300,000 (or 13.5 per cent of the total levy).
18. Staff recommend the approval of the levy as it is in accordance with the funding principles in the ARAFA Act, as were the processes followed by the ARAFA Funding Board to reach its proposed funding plan.

Museum of Transport and Technology

19. **MOTAT** is seeking \$18,527,250 for the 2023/2024 financial year. This is a decrease of \$80,560 from its 2022/2023 levy and is within the MOTAT statutory cap. MOTAT's draft Annual Plan 2023/2024 is at **Attachment E**.
20. MOTAT note that they have moderated their levy request to take into account the extreme financial pressure on the council while ensuring that they have sufficient funds to operate the Museum and progress the second year of the Covid-19 Recovery Plan and the projects outlined in the Annual Plan.

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21. Under the Advisory and Management Agreement between Tataki Auckland Unlimited (**TAU**) and the council, TAU are required to make a submission on the MOTAT plan and asked to recommend to the council whether to approve or reject the levy requested by MOTAT. TAU has worked closely with staff as part of this process. The letter of advice from TAU at **Attachment F** includes their recommendation that the levy be approved. Staff advice is in line with the advice of TAU and recommend approval of MOTAT’s levy request as it is in accordance with the provisions of the MOTAT Act.

Ngā tūtohunga Recommendation/s

That the Governing Body:

Auckland War Memorial Museum

- a) Whakaae / agree to refuse the Auckland War Memorial Museum’s \$33,840,000 levy request.
- b) whakaae / approve an Auckland Council funding contribution for 2023/2024 of \$33,260,000.
- c) tuhi ā-taipitopito / note that the Auckland War Memorial Museum Trust Board will either decide to fix the \$33,260,000 levy at their 28 April 2023 board meeting or initiate arbitration proceedings to fix the levy if they do not accept the funding contribution agreed by the Governing Body at today’s meeting.

Auckland Regional Amenities Funding Act Amenities

- d) whakaae / approve the Auckland Regional Amenities Funding Board’s proposed Auckland Council funding contribution for 2023/2024 of \$17,347,179.

Museum of Transport and Technology

- e) whakaae / approve the Museum of Transport and Technology’s (MOTAT’s) levy request for 2023/2024 of \$18,527,250.

Horopaki Context

22. The table below summarises the different legislative arrangements for each organisation. Each Act introduced a levy to be imposed on the territorial local authorities of the Auckland region. This included seven councils at the time and is now limited to the council.

Table 1: Summary of legislation

	ARAFA	MOTAT	AWMM
Title of legislation	Auckland Regional Amenities Funding Act 2008	Museum Of Transport and Technology Act 2000	Auckland War Memorial Museum Act 1996
Levy recipient	Auckland Regional Amenities Funding Board	MOTAT Trust Board	AWMM Trust Board
Levy cap	2 per cent of rates (approximately \$42m)	A proportion of rateable property value (approx. \$25m)	A proportion of rateable property value (over \$150m)
Council role in legislation	Appoint six board members of 10; agree the levy; set additional funding principles	Appoint six board members of 10; agree the levy	Appoint 5 board members of 10; agree the levy

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	ARAFB	MOTAT	AWMM
What funding is to be used for	Last resort funding of the 10 Specified Amenities according to principles of the Act. Auckland region activities only Opex only	Allow board to meet its minimum obligations under the Act: including to adequately maintain, manage and develop the Museum according to the objectives in the Act	Allow board to meet its minimum obligations under the Act: including to adequately maintain, manage and develop the museum according to the objectives in the Act
Formal alignment with the council's goals	Funding is for activities aligned with the Auckland Plan	None required. As the holder of the day-to-day relationship with MOTAT, TAU works with MOTAT in support of council's goals.	None required
Other notes	Direct specific funding amounts to amenities	Practice: funding has been for opex + capex with key capital projects highlighted in the annual plan	Practice: funding has been for opex + capex (depreciation)
Current relationship	While independent, council staff work with ARAFA Funding Board to maintain open communication. This is especially important when larger requests are made (such as the orchestra move to salary model).	Independent organisation. TAU holds day-to-day relationship and provides advice on levy, and board appointments to the council. This is under terms of an agreement with the council.	Independent organisation. Direct working relationship with the council. Council staff provide advice on levy.

23. The ARAFA Funding Board was established in 2009 following the introduction of the ARAFA Act. The ARAFA Act introduced a levy to be imposed on the council. The levy is collected by the ARAFA Funding Board and distributed as grants to the Specified Amenities named in the legislation. The purpose of the ARAFA Act is to establish a mechanism that provides funding to support the on-going sustainability of the organisations named in the Act who deliver arts, culture, recreational, heritage, rescue services and other facilities and services to the wider population of the Auckland region.

Tātaritanga me ngā tohutohu

Analysis and advice

24. The council's 10-year Budget 2021-2031 includes a combined budget for the levies of AWMM, ARAFA, and MOTAT. This budget was originally based on historical levy payment levels, with projected inflationary growth for the outer years. Each year, as part of the annual budget process, the internal budget allocation among the three entities is updated to reflect the agreed-upon and indicative levy requests for future years.

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25. Table 2 below illustrates the previous two years levy payments, the proposed 2023/2024 levy requests and indicative amounts for the following two financial years, based on the 2023/2024 Annual Plans of the three entities.

Table 2: Agreed, proposed and indicative levies 2021/2022 to 2025/2026

Entity	2021/2022	2022/2023	Proposed 2023/2024	Indicative draft annual plan 2024/2025	Indicative draft annual plan 2025/2026
ARAFB	\$15,434,500	\$16,910,479	\$17,347,179	\$19,216,984**	\$19,952,942**
MOTAT	\$15,635,107	\$18,607,810	\$18,527,250	\$18,621,154	\$18,815,144
AWMM	\$32,290,000	\$32,290,000	\$33,840,000*	\$35,360,000	\$36,780,000

*In the case of AWMM, staff recommend that the council refuse the \$33,840,000 levy request (4.8 per cent increase) and instead approve a levy of \$33,260,000 (3 per cent increase).

**In the case of ARAFB, the indicative amount is simply the sum of the amenities' requests, as required by section 25 of the Act, and not a projection by the Funding Board itself. The final amount is usually lower.

26. The total levy amounts proposed by the three entities for the financial year 2023/2024 is \$69,714,429, which exceeds the provision in the LTP by \$864,990.
27. For AWMM, staff recommend that the council refuse the \$33,840,000 levy request (4.8 per cent increase compared to the previous levy) and instead approve a levy of \$33,260,000 (3 per cent increase).
28. The combined levy requests recommended for approval for 2023/2024 amount to \$69,134,429, which is a 2 per cent increase compared to the total levy payment in 2022/2023 and \$284,990 more than the LTP budget provision.
29. A potential increase to the total levy payment for 2023/2024 has been identified as a cost pressure and included in the financial projections when developing the draft annual plan for public consultation. Other things being equal, approving the combined levy amount of \$69,134,429 will not specifically add further pressure to the forecast budget position for the council group.
30. Requests beyond 2023/2024 and the associated financial impact will be considered as part of the respective levy process and annual plan/long-term plan process each year. This is the case for all three entities.

AWMM

31. The levy paid to AWMM last year was \$32,290,000. AWMM agreed to receive no levy increase over the last three years in recognition of the impact of Covid-19 on the council's finances. The static levy equates to a significant cut in their levy over the last three years when inflationary factors are considered.
32. In April 2022 AWMM projected a levy ask of \$33,260,000 which is a 3 per cent increase on the previous year's levy.
33. In October 2022 AWMM released their Draft Annual Plan (**DAP**) for consultation. The DAP included a proposed levy of \$35,130,000 which is an increase of 8.8 per cent (\$2,838,000) on the previous year and is a \$1,870,000 increase over the previously indicated \$33,260,000. The proposed increase reflects the impact of higher inflation forecast and necessary capital works delayed in recent financial years.

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34. Over numerous meetings council representatives lead by the Deputy Mayor sought to understand AWMM's financial position and to convey the council's very serious financial constraints. At the December AWMM Trust Board meeting the council Chief Financial Officer and the Deputy Mayor asked the board to reconsider the 8.8 per cent levy increase given the council's \$295 million budget shortfall. It was suggested that a reasonable levy ask would be the originally indicated 3 per cent increase which is within the council's budget provision. Council representatives noted that any increase in funding could be considered generous when the council is facing significant funding reductions in many areas.
35. Through Covid the Museum's revenue was severely reduced by the loss of self-generated income, particularly from the absence of international tourists and a forced inability to derive income from commercial operations. The Museum reduced expenditure, significantly reduced staff numbers, and refocused on core activities. In the absence of self-generated revenue and increased public funding support, continuing to provide core activities necessitated running deficits. The Museum advises that without a moderate correction to the levy now, this operational debt will become unsustainable. The Museum is also facing similar inflation issues to the council for core costs. The Museum has indicated that it understands and appreciates the council's financial circumstances. It has reduced its levy request by further reducing and delaying important asset renewal expenditure. It has also stated its willingness to seek savings through shared services with other sector organisations, and combined purchasing with the council, where appropriate.
36. After the board meeting AWMM sent a letter to the council with a revised levy request of \$33,840,000 which is a 4.8 per cent increase on the previous levy but still more than the budget council has allowed for.
37. The Mayor and Deputy Mayor met with AWMM at the beginning of March to discuss the levy request and to communicate the council's difficult financial position once again. The Mayor subsequently wrote to AWMM seek answers to various questions and indicated that given the current financial situation the levy should not be increased over last year.
38. Considering the difficult financial position of both AWMM and the council, staff recommend a \$33,260,000 levy (3 per cent increase) as a reasonable compromise. This levy recognises the previous static levy increases and provides AWMM with an increase to address some of their rising costs without adding further pressure to the council group's budget position forecast in the draft annual plan 2023/2024.
39. The AWMM board has a meeting scheduled for 28 April 2023 to consider the council's decision and either fix the \$33,260,000 levy or failing that initiate arbitration proceedings to fix the levy. Staff consider that arbitration is not in the best interests of either party and is likely to cost more than the amount being disputed.

ARAFA

40. The ARAFA Funding Board has written to the council seeking a levy of \$17,347,179. This represents an overall increase of \$436,700 compared to 2022/2023.
41. The biggest increases are directed to the Auckland Philharmonia Orchestra (\$150,000) and Auckland Theatre Company (\$202,000). The Philharmonia grant is the final part of the transition to a salary model for the orchestra's players. This new model was initiated three years ago, with the support of the Funding Board. Council agreed the first and second part of this model when it agreed the ARAFA levy for 2021/2022 and 2022/2023.
42. The 2023/2024 funding application for the Auckland Theatre Company indicated that prior year's grant allocations have been insufficient to ensure the sustainability of the organisation. The Auckland Theatre Company and the Funding Board have agreed to undertake a review of the operations of the Auckland Theatre Company to determine the optimal operation of both the artistic development and property management aspects of the business.

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- 43. The Specified Amenities return a proportion of the annual levy back to the council in the form of rent, hire charges, rates and regulatory charges. In 2023/2024 that amount is estimated to be \$2,300,000 (or 13.5 per cent of the total levy). These transactions are recorded to reflect the true costs of providing these services for the enjoyment and benefit of Aucklanders.
- 44. The below table sets out the proposed grant allocations to each of the eight Specified Amenities.

Specified Amenity	Grant Allocation 2022/2023	Amenity Funding Application 2023/2024	Grant Allocation 2023/2024	Year on Year Change 2022/2023 to 2023/2024
Auckland Festival Trust	\$4,187,000	\$4,475,000	\$4,187,000	0
Auckland Philharmonia Trust	\$4,591,729	\$4,915,911	\$4,741,729	+\$150,000
Auckland Rescue Helicopter Trust	\$450,000	\$600,000	\$450,000	0
Auckland Theatre Company Ltd	\$2,020,000	\$2,222,000	\$2,222,000	+\$202,000
Drowning Prevention Auckland -WaterSafe Auckland Incorporated	\$1,128,750	\$1,248,750	\$1,178,750	+\$50,000
New Zealand Opera Limited	\$1,295,000	\$1,475,000	\$1,260,000	-\$35,000
Stardome - Auckland Observatory and Planetarium Trust Board	\$1,488,000	\$1,636,800	\$1,488,000	0
Surf Life Saving Northern Region Inc	\$1,390,000	\$1,991,089	\$1,447,450	+\$57,450
Total Grants Payable	\$16,550,479	\$18,564,550	\$16,794,929	+\$424,450
Funding Board Administration Budget	\$360,000	\$372,250	\$372,250	+\$12,250
Total Grants and Administration Costs	\$16,910,479	\$18,936,800	\$17,347,179	+\$436,700
Less Paid from Funding Board Retained Earnings				
Total Levy Payable by Auckland Council	\$16,910,479	\$18,936,800	\$17,347,179	+\$436,700

- 45. The funding plan in some cases notes conditions the ARAFA Funding Board has placed on grants it intends to make. These relate often to special purposes towards which funding must be directed, or that certain reporting is required. The 2023/2024 Funding Plan and a letter from the ARAFB Chair are provided at **Attachments A and B**.
- 46. Overall, the levy is around 40 per cent of the total possible levy (which is a maximum of 2 per cent of the council’s rates income).
- 47. Staff recommend the approval of the levy as it is in accordance with the funding principles in the ARAFA Act, as were the processes followed by the ARAFA Funding Board to reach its proposed funding plan. The alternative option is to not agree the proposed levy. If the levy is not approved, an arbitrator must be appointed to resolve the levy.
- 48. Not approving the levy is not recommended by staff, because we consider that the ARAFA Funding Board has undertaken its processes appropriately, in terms of the legislation. Given that the council funds the ARAFA Funding Board’s administrative costs, arbitration would result in the council paying for both sides of such a dispute.
- 49. Council’s role is not to dispute individual allocations, and in cases where larger allocations have been signalled by the ARAFA Funding Board, it has discussed those with the council ahead of time (Auckland Philharmonia, and previously, the annualisation of the Auckland Festival).

MOTAT

50. Under the Advisory and Management Agreement between Tātaki Auckland Unlimited (TAU) and the council, TAU are asked to recommend to the council whether to approve or reject the levy requested by MOTAT. **Attachment F** is TAU's letter recommending that the council accept MOTAT's levy request.

Response to Council's Financial Position

51. TAU met with the Chair of MOTAT prior to the publishing of the 2023/2024 Draft Annual Plan. At this meeting TAU outlined the financial challenges the council was facing. MOTAT responded to this positively, and reduced their levy request to take into account the extreme financial pressure on the council while ensuring that they have sufficient funds to operate the museum, address several legacy issues and progress the second year of the Covid-19 Recovery Plan and the projects outlined in the Annual Plan.
52. MOTAT were planning to increase Board Member remuneration for the first time in 10 years in recognition of the significant time commitment and to align the remuneration to that paid to the board members and trustees of similar organisations. The proposed increase from \$136,000 to \$216,000 has however been deferred to the 2024/2025 financial year in order to reduce the levy request on the council.
53. This approach is in line with MOTAT's previous effort to proactively reduce its levy request from the council in 2020/2021 to assist with the COVID-19 related budget issues the council was facing. In doing this, MOTAT has demonstrated a collaborative approach, despite the ageing nature of its buildings and facilities, and the challenges it is facing.

Proposed Levy Request

54. MOTAT's levy request is \$18,527,250 for 2023/2024. This is a decrease of \$80,560 from last year's \$18,607,810.
55. The components of the proposed levy are:
- a base operational portion of the levy of \$16,397,250
 - \$2,130,000 to cover additional operating and capital requirements including:
 - Continued funding of Approach 2 Projects and the SciTech funding totaling \$1,400,000.
 - Site lighting and signage to improve visitor, employee, volunteer and contractor safety on site - \$180,000.
 - Remediating the asphalt surfaces at MOTAT Great North Road - \$50,000.
 - Providing a one-off funding for alternative staff offices as several of the existing ones are coming to end of their effective life - \$500,000.

Approach 2 and SciTech Commitments

56. Prior to the 2020/2021 Emergency Budget, Regional Facilities Auckland (now TAU) had worked through and had agreed with the council and MOTAT, a pragmatic and carefully calibrated approach via the levy process to help MOTAT address some issues (identified as the Approach 2 projects in the Museum's Annual Plans and Annual Reports). This was to be supported by a borrowing regime by MOTAT, that had no impact on the council's credit rating or borrowings.
57. Approach 2 projects include:
- Underway:
- Environmental and roofing upgrades to main exhibition hall at Great North Road – started in April 2023
 - Upgrade of entrance to the Great North Road (MOTAT1) site – progressing

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Completed:

- Car park at Motions Road site - Stage 1 - completed in August 2022
- Upgrade of the entrance to the Aviation Hall - completed in August 2022
- Environmental and roofing upgrades to Building 6 (Pink Building)
- Café upgrade
- Upgrade of MOTAT2 entrance – completed in August 2022

58. This involved ring fencing \$1,000,000 of the levy per annum for 10 years, starting in 2019/2020 so that MOTAT could borrow circa \$12.5 million from its bank, on very favourable terms, to undertake and complete the Approach 2 projects.
59. This arrangement was effectively put on hold by MOTAT agreeing to significantly reduce its levy request to assist the council with its 2020/2021 Emergency Budget. To progress these core projects, MOTAT sought to reinstate this in last year's Annual Plan. This was agreed by the Governing Body and this approach continues for this Annual Plan.
60. The levy request for 2020/2021 also included \$800,000 a year for two years, for the development of a SciTech Centre in the main exhibition hall, but that was removed from the 2020/2021 and 2021/2022 Annual Plans in order to assist with the Emergency Budget.
61. Funding for the SciTech Centre was reinstated in the 2022/23 levy and MOTAT has ring fenced \$400,000 in the 2023/2024 and \$400,000 in 2024/2025 in its draft annual plan to cover the cost of developing the SciTech Centre.
62. The SciTech Centre is a core educational experience aimed at cross-generational families, which account for 86 per cent of MOTAT's visitors. The SciTech Centre will also provide the "cornerstone" for the development of the Western Springs Precinct as a science, technology, and ecological precinct with a cultural overlay. The SciTech Centre is to be developed in conjunction with the refurbishment of the exhibition hall, which urgently required a new roof and refurbishment.

Analysis

63. MOTAT typically comes to the council (through the levy process) for specific project funding when required. MOTAT has been open and transparent with TAU and the council about this, and what is proposed is consistent with MOTAT's objectives under the Act and its vision.
64. TAU and the council Finance and CCO Governance and External Partnerships staff have worked closely with MOTAT during the development of its 2023/2024 draft Annual Plan and its levy request.
65. TAU and council staff's recommendation is that MOTAT's proposed 2023/2024 levy be agreed. The other alternative is to reject the levy amount and enter arbitration. This is not recommended because the request is clearly aligned with the purposes in the Act, does not exceed a level beyond the board meeting its minimum obligations, and supports compliance with health, safety and wellbeing requirements.

Tauākī whakaaweawe āhuarangi
Climate impact statement

66. The ARAFA Funding Board is a statutorily independent organisation and the council is unable to direct it on climate change issues. However, ARAFA Funding Board is required to ensure that amenities align their activities with Auckland Plan objectives, which include Auckland's response to climate change.
67. MOTAT is a statutorily independent organisation and the council is unable to direct it on climate change issues. However, despite operating heritage machinery that relies on fossil fuels, MOTAT has implemented various initiatives aimed at reducing its carbon footprint and impact on the environment.
68. MOTAT's budget includes funds for replacing the lights with more energy-efficient lights.

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69. MOTAT will continue recycling and water harvesting and the monitoring of carbon emissions by Toitū Envirocare.
70. AWMM is a statutorily independent organisation and the council is unable to direct it on climate change issues. However, the Museum includes a focus on climate change for financial year 2023/2024. Being responsive to the sustainability goals of the city, the Museum recognises the role they have to play in educating Aucklanders and visitors to the city. It has set a long-term goal of net zero carbon emissions by 2050 and has aligned its Sustainability Action Plan with Auckland Council's Auckland Plan and Te Tāruke-ā-Tāwhiri: Auckland's Climate Plan. The Museum's research efforts also build a base of evidence that informs the understanding of climate change and biodiversity.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera Council group impacts and views

71. MOTAT has been undertaking discussions with TAU about its future relationship to the council group. This is consistent with the council's endorsement of the CCO review recommendation number three.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe Local impacts and local board views

72. The relationship with AWMM, the ARAFA Funding Board and MOTAT is a regional one, and as such decisions about funding contributions are made by the Governing Body or its committees.

Tauākī whakaaweawe Māori Māori impact statement

73. Under the provisions of the ARAFA Act, the council has appointed a director whose specific role is to overview the interests of Māori in the wider Auckland region when the board engages with the eight Specified Amenities. Through the actions of this position, the Specified Amenities have all increased their awareness of the role of Māori in the Auckland region. They have also created specific programmes that interact with Māori or seek Māori input into the varying outputs and outcomes each Specified Amenity is delivering into the Auckland region. Specific examples can be found in the narratives for each amenity in the attached draft Funding Plan 2023/2024.
74. MOTAT's Annual Plan notes the steps taken to develop a bicultural approach, He Aratakina Māori, and continuing its journey of becoming a responsible partner under te Tiriti o Waitangi.
75. MOTAT's SciTech Centre will incorporate te ao, mātauranga and tikanga Māori knowledge and concepts as well as Western STEAM (Science, Technology, Engineering, Arts and Maths) knowledge, concepts and experiences for those under the age of six, and their whānau.
76. AWMM is a statutorily independent organisation, and the council cannot direct it on any operational matters, including how it responds to iwi Māori. However, its draft Annual Plan notes that the Museum contributes to the Auckland Plan objective relating to Māori identity and wellbeing and sets out how it plans to advance Māori wellbeing; promote Māori success, innovation, and enterprise; recognise and provide for te Tiriti o Waitangi outcomes; and showcase Auckland's Māori identity and vibrant Māori culture.
77. AWMM's draft Annual Plan also notes that the Māori committee known as the Taumata-ā-Iwi serves an important role as both advisor and partner to the AWMM Trust Board and is strategically important to the cultural fabric of Tāmaki Makaurau. Mana whenua represented on the Taumata are from Ngāti Whātua, Ngāti Pāoa and Tainui.

Ngā ritenga ā-pūtea

Financial implications

78. The analysis in this report was undertaken with finance staff and their advice is incorporated at the beginning of the analysis and advice section so that it is read together with the main part of the advice on the levies.

Ngā raru tūpono me ngā whakamaurutanga

Risks and mitigations







79. There are three main risks for approving the levy requests considered in this report.
80. The first key risk is that the levies will materially exceed the council budget allocations. This has been mitigated by the council and TAU staff working with the entities to communicate the council's financial challenges.
81. The second key risk is the possibility that the activities of the organisations will not meet the stated goals of the annual plans and that those annual plans do not align with the council goals. For the eight Specified Amenities, this risk is minimised because a requirement of funding is to demonstrate alignment with the Auckland Plan. MOTAT works closely with TAU to ensure its long-term goals are aligned with those of the council. AWMM endeavours to demonstrate this in its Annual Plan. However, ultimately the legislative schemes for MOTAT and AWMM does not guarantee the council any role in assessing the performance of these organisations or ensuring that their activities align with the council priorities.
82. The final risk is of arbitration if the levies are not agreed by 30 April. This risk is mitigated by maintaining a good relationship with the entities and a mutual understanding of the financial pressures. This report recommends that the council approve a funding contribution for AWMM that is below the amount asked for in their DAP. This could lead the AWMM Trust Board to initiate arbitration proceedings to fix the levy. This risk is mitigated by approving a levy amount that includes an increase over the previous year. Good communication between the council and AWMM is important to understand that arbitration is not in the best interests of either party and is likely to cost more than the amount being disputed.

Ngā koringa ā-muri

Next steps

84. If agreed, the MOTAT Board and ARAFA Funding Board will adopt their final 2023/2024 Annual Plans and the Auckland War Memorial Museum Trust Board will either decide to fix the \$33,260,000 levy at their 28 April 2023 board meeting or initiate arbitration proceedings to fix the levy if they do not accept the funding contribution agreed by the Governing Body at today's meeting.
85. The agreed levies will be paid within the appropriate statutory timeframe.

Ngā tāpirihanga Attachments

No.	Title	Page
A 	AWMM draft annual plan 2023/2024	
B 	Letter re AWMM draft annual plan 2023/2024	
C 	ARAFA Funding Plan 2023/2024	
D 	Letter from ARAFA Funding Board	
E 	MOTAT Final Draft Annual Plan	
F 	Letter from TAU re MOTAT levy	

Ngā kaihaina Signatories

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