

- amenity should be suspended or cease to be a specified amenity.
- (4) If the specified amenity does not satisfy the criterion or criteria within the period specified by the Funding Board, the Funding Board may give the Electoral College, in writing or electronically,— 5
- (a) its recommendation on whether the applicant should be suspended from being or cease to be a specified amenity; and
- (b) its reasons for its recommendation. 10
- (5) The Electoral College must—
- (a) receive the Funding Board's recommendation; and
- (b) apply the assessment criteria; and
- (c) decide whether the specified amenity should be suspended from being or cease to be a specified amenity. 15
- (6) If the Electoral College decides that a specified amenity listed in **Schedule 1** should cease to be a specified amenity, the following provisions apply:
- (a) the Electoral College must request the Minister of Local Government to recommend to the Governor-General the making of an Order in Council amending **Schedule 1** by removing the name of the amenity; and 20
- (b) on receiving the request, the Minister may make the recommendation; and
- (c) on receiving the recommendation, the Governor-General may make the Order in Council; and 25
- (d) on the making of the Order in Council, the Electoral College must give notice under **section 19** that the amenity is no longer a specified amenity.
- (7) If the Electoral College decides that a specified amenity not listed in **Schedule 1** should cease to be a specified amenity, it must give notice under **section 19** that the amenity is no longer a specified amenity. 30
- 19 Notices**
- (1) The Electoral College gives a notice under **section 17 or 18** by publishing it in the *Gazette*. 35
- (2) The Electoral College must—
- (a) notify the notice; and
- (b) send a copy of the notice to each of the contributing authorities and the Amenities Board; and 40

- (c) make copies of the notice available for inspection by members of the public free of charge.
- (3) A notice given under **section 17 or 18** comes into force—
  - (a) 28 days after the date of the notice's publication in the *Gazette*; or 5
  - (b) a later date specified in the notice.
- (4) A notice given under **section 17** that an organisation is a specified amenity lasts until a notice is given under **section 18** that the specified amenity is to cease to be a specified amenity.
- (5) A notice given under **section 17 or 18** is a regulation for the purposes of the Interpretation Act 1999, the Acts and Regulations Publication Act 1989, and the Regulations (Disallowance) Act 1989. 10

### Subpart 3—Funding process

#### *Funding principles*

15

#### **20 Funding principles**

- (1) The funding principles to which the Funding Board and the Electoral College must have regard under **sections 23 and 27** are as follows:
  - (a) the primary purpose of the funding is to contribute to the expenses that the specified amenity must incur to provide its facilities or services; and 20
  - (b) funding is not available for capital expenditure; and
  - (c) funding is not available for any part of facilities or services that the specified amenity provides outside the Auckland region; and 25
  - (d) funding is not available for facilities or services that at any time in the 5 years immediately before the date on which the Funding Board or the Electoral College applies this paragraph have been provided funding by— 30
    - (i) a Crown entity, as defined in section 7(1) of the Crown Entities Act 2004; or
    - (ii) a department specified in Schedule 1 of the State Sector Act 1988; and
  - (e) funding for the retention and preservation of a specified amenity's library or collection takes priority over the amenity's other expenses; and 35

- (f) funding is available only if the specified amenity has made all reasonable endeavours to maximise its funding from other available funding sources; and
  - (g) total funding for all specified amenities assessed for a financial year must not exceed the maximum total levy for that year under **section 33**; and 5
  - (h) any other funding principle that the Electoral College publicly notifies under **subsection (3)**.
- (2) The Funding Board may recommend to the Electoral College that it add funding principles to those in **subsection (1)**. 10
  - (3) The Electoral College—
    - (a) may receive a recommendation from the Funding Board; and
    - (b) with or without a recommendation, may add funding principles; and 15
    - (c) must give public notice of the added funding principles.

#### *Funding applications*

### **21 Specified amenity may prepare long term plan**

- (1) A specified amenity may—
  - (a) prepare a plan covering a period of at least 5 years and at most 10 years; and 20
  - (b) send the plan to the Funding Board.
- (2) The Funding Board may consider and approve the plan.
- (3) The Funding Board's approval of a plan is not a commitment by the Funding Board to provide funding for anything in the plan. 25

### **22 Specified amenity applies for funding**

- (1) This section applies if a specified amenity seeks funding from the Funding Board for a financial year.
- (2) The specified amenity must apply to the Funding Board on or before 30 November in the year before the financial year for which funding is sought. 30
- (3) The application must include—
  - (a) a statement of the amount of funding that the specified amenity seeks from the Funding Board for the financial year; and 35

- (b) any information that the Funding Board requires to assess the specified amenity's satisfaction of the assessment criteria currently and in the future; and
- (c) a statement of how the application complies with the funding principles; and 5
- (d) the specified amenity's annual plan for the financial year for which funding is sought prepared under **subsections (4) and (5)**.
- (4) The specified amenity's annual plan must state the following matters: 10
- (a) the specified amenity's purpose; and
- (b) the specified amenity's objectives; and
- (c) the performance targets and other measures by which to assess the specified amenity's achievement of the objectives; and 15
- (d) the nature and scope of the facilities or services to be provided by the specified amenity; and
- (e) the indicative costs of the activities; and
- (f) the sources of funds for the activities; and
- (g) the details of any charges that the specified amenity proposes to make for the facilities or services. 20
- (5) The plan must state the matters—
- (a) in particular terms for the financial year for which funding is sought; and
- (b) in general terms for each of the following 2 financial years. 25
- 23 Funding Board assesses application**
- (1) The Funding Board must—
- (a) assess an application made by a specified amenity under **section 22**; and 30
- (b) decide provisionally on the amount of funding to be provided to the specified amenity.
- (2) The Funding Board may request more information from the specified amenity for the purpose of making its assessment and provisional decision. 35
- (3) The Funding Board need not include a specified amenity in the funding plan prepared under **section 24** if the amenity does not give the Board the requested information by—
- (a) 30 November in the year before the financial year for which funding is sought; or 40

- (b) a later time that the Board specifies.
- (4) In making its assessment and provisional decision, the Funding Board must have regard to—
  - (a) the funding principles; and
  - (b) the specified amenity's long term plan, if it—
    - (i) includes the financial year for which funding is sought; and
    - (ii) has been approved under **section 21**.

#### *Funding plans*

- 24 Funding Board prepares draft funding plan** 10
- (1) The Funding Board must prepare a draft funding plan for every financial year.
  - (2) The draft funding plan must state the following matters for the financial year:
    - (a) the nature of the facilities or services to be provided by each specified amenity; and 15
    - (b) the funding sought by each specified amenity; and
    - (c) the amount of funding that the Funding Board proposes to grant to each specified amenity; and
    - (d) any conditions that the Funding Board proposes to impose on the provision of funding to a particular specified amenity; and 20
    - (e) the maximum amount of remuneration payable by the Funding Board to its members; and
    - (f) the maximum amount of remuneration payable by the Funding Board to its advisory officer; and 25
    - (g) the maximum amount of the Board's reasonable administrative costs; and
    - (h) the total levy that the Funding Board proposes, which may not exceed the maximum total levy calculated under **section 33**; and 30
    - (i) any other information that is necessary to enable an informed assessment of the total levy that the Funding Board proposes.
  - (3) The draft funding plan must state the matters— 35
    - (a) in particular terms for the financial year to which the plan relates; and
    - (b) in general terms for each of the following 2 financial years.

- (4) The Funding Board must include in the draft funding plan an explanation of any significant changes between the total levy it proposes and the levy specified in the plan adopted for the immediately preceding financial year.
- 25 Funding Board and Electoral College confer over draft funding plan** 5
- (1) The chairpersons of the Funding Board and the Electoral College must decide jointly—
- (a) whether a meeting of the Electoral College is to be held to consider— 10
- (i) the matter of the total levy that the Board proposes in its draft funding plan; or
- (ii) any other matter in the plan; and
- (b) if a meeting is to be held, whether it is to be held jointly with the Board or separately from it. 15
- (2) Every meeting of the Electoral College to consider a matter must be held before the draft funding plan is published under **section 26(1)(a)**.
- 26 Funding Board consults on draft funding plan**
- (1) When the Funding Board is satisfied with its draft funding plan, it must, as soon as is practicable,— 20
- (a) publicly notify it; and
- (b) send it to the Electoral College, the specified amenities, and the contributing authorities.
- (2) The Electoral College, a specified amenity, or any other person may make a written or electronic submission to the Funding Board on any matter in the draft funding plan within 1 month after the day on which the plan is publicly notified. 25
- (3) A contributing authority—
- (a) may make a written or electronic submission to the Funding Board on any matter in the draft funding plan within 1 month after the day on which the draft plan is publicly notified; and 30
- (b) must send a copy of the submission to the Electoral College. 35
- (4) The Funding Board must give a reasonable opportunity to every person who makes a submission to appear and be heard on the submission.

- (5) Meetings of the Funding Board, or a committee of the Funding Board, to hear submissions on the draft funding plan must be open to the public.
- (6) The Funding Board must—
- (a) consider the submissions; and 5
  - (b) make any modifications to the draft funding plan that the Board considers appropriate in light of the submissions; and
  - (c) refer the plan to the Electoral College; and
  - (d) request the Electoral College's approval of the Board's recommendation on the total levy. 10
- 27 Electoral College considers funding plan**
- The Electoral College must—
- (a) consider the Funding Board's recommendation on the total levy; and 15
  - (b) decide whether or not to approve the recommended total levy, having regard to the funding principles; and
  - (c) advise the Funding Board of its decision.
- 28 If Electoral College does not approve levy**
- (1) This section applies if the Electoral College decides not to approve the recommended total levy under **section 27(b)**. 20
- (2) The dispute must be referred to an independent arbitrator.
- (3) The arbitrator must be appointed by—
- (a) the Electoral College and the Funding Board jointly; or
  - (b) if they are unable to agree on the appointment, the Local Government Commission appointed under the Local Government Act 2002. 25
- (4) The arbitrator must—
- (a) take into account the submissions of the Funding Board and the Electoral College; and 30
  - (b) take into account the Funding Board's duties; and
  - (c) decide on the total levy, which may not exceed the maximum total levy calculated under **section 33**.
- (5) The total levy that the arbitrator decides on is the total levy to be used by the Funding Board for the purpose of fixing the individual levies under **section 34**. 35
- (6) The Funding Board must reconsider its draft funding plan and the amount of funding it provisionally decided to provide to

each specified amenity to take account of the total levy that the arbitrator decides on.

**29 Funding Board adopts funding plan**

- (1) The Funding Board must have a meeting to deliberate on and adopt its funding plan. 5
- (2) The meeting—
- (a) must be open to the public; and
  - (b) must be held no later than 30 April immediately before the start of the financial year to which the plan relates.
- (3) Within 20 working days of adopting the funding plan, the Funding Board must— 10
- (a) make a copy available for public inspection; and
  - (b) give public notice that a copy is available for public inspection; and
  - (c) send a copy to each contributing authority and each specified amenity. 15

*First financial year*

**30 Individual payments for first financial year**

- (1) The Funding Board must pay each specified amenity the amount shown opposite the amenity's name in **Schedule 2** for the first financial year. 20
- (2) However, the Funding Board must not pay the amount to Auckland Zoo unless **section 42** applies before 1 July in the first financial year.
- (3) The Funding Board must be paid \$300,000 for its administrative costs for the first financial year. 25
- (4) **Sections 21 to 29** do not apply in respect of the first financial year.

**31 Individual levies for first financial year**

- (1) The Funding Board must calculate the individual levy of each contributing authority for the first financial year using the formula— 30
- $$\frac{\text{adjusted revenue}}{\text{total adjusted revenue}} \times \text{total amount}$$
- (2) The items in the formula are defined in **subsections (3) to (5)**. 35

- (3) **Adjusted revenue** means the adjusted revenue from rates of the contributing authority in the previous financial year.
- (4) **Total adjusted revenue** means the total adjusted revenue from rates of all contributing authorities in the previous financial year. 5
- (5) **Total amount** means the total amount to be paid under **section 30**.
- 32 Contributing authorities pay levies for first financial year**
- (1) This section applies to the individual levy of each contributing authority for the first financial year. 10
- (2) The contributing authority must pay the amount of the levy—
- (a) out of its general revenues; and
- (b) to the Funding Board; and
- (c) on the next 1 July after the commencement of this Act. 15

*Funding levies*

- 33 Maximum individual and total levies for financial years after first financial year**
- (1) The Funding Board must calculate the maximum individual levy of each contributing authority for each financial year after the first financial year using the formula— 20
- $$\frac{\text{adjusted revenue}}{\text{total adjusted revenue}} \times \text{maximum total levy of contributing authorities}$$
- 25
- (2) The items in the formula are defined in **subsections (3) to (5)**.
- (3) **Adjusted revenue** means the adjusted revenue from rates of the contributing authority in the previous financial year.
- (4) **Total adjusted revenue** means the total adjusted revenue from rates of all contributing authorities in the previous financial year. 30
- (5) **Maximum total levy of contributing authorities** is,—
- (a) for the second financial year,—
- (i) if **section 42** applies as at the specified date, \$16 million; or 35
- (ii) if **section 42** does not apply as at the specified date, \$12 million; and
- (b) for the third financial year,—

- (i) if **section 42** applies as at the specified date, \$19 million; or
- (ii) if **section 42** does not apply as at the specified date, \$15 million; and
- (c) for the fourth financial year and each following financial year, the amount equal to 2% of the total adjusted revenue from rates of all the contributing authorities in the previous financial year. 5
- (6) In **subsection (5)**, **specified date** means 30 November in the year immediately before the financial year for which the maximum total levy is being calculated. 10
- (7) For each financial year after the first financial year, the individual levy of each contributing authority must bear the same proportion to the total of the individual levies of all the contributing authorities as the maximum individual levy of that contributing authority bears to the maximum total levy of the contributing authorities. 15
- 34 Funding Board resolves to fix individual levies**
- (1) This section applies when the Funding Board has the following for a financial year after the first financial year: 20
- (a) either—
- (i) the Electoral College's approval of the total levy; or
- (ii) the arbitrator's decision on the total levy; and
- (b) an adopted funding plan. 25
- (2) The Funding Board must—
- (a) fix the amounts of the individual levies of each contributing authority by way of resolution; and
- (b) send a copy of the resolution to each contributing authority. 30
- (3) The Funding Board must comply with **subsection (2)** on or before 30 April before the financial year for which the levy is imposed.
- 35 Contributing authorities pay levies for financial years after first financial year** 35
- (1) This section applies to the individual levy of each contributing authority fixed in the resolution of the Funding Board under **section 34(2)**.

- (2) The contributing authority must pay the amount of the levy—
- (a) out of its general revenues; and
  - (b) to the Funding Board; and
  - (c) on the next 1 July after the resolution.

**36 If contributing authority's district altered** 5

- (1) This section applies if a contributing authority's district is altered because any of the following events occurs:
- (a) the total or partial absorption of the district by another local authority, whether or not the local authority is a contributing authority; or 10
  - (b) the contributing authority absorbing all or part of another local authority's district, whether or not the local authority is a contributing authority; or
  - (c) the amalgamation of a contributing authority with another local authority, whether or not the local authority is a contributing authority; or 15
  - (d) the division of a contributing authority into 2 or more local authorities.
- (2) If any of the events occurs,—
- (a) the area that was previously subject to a levy under this Act continues to be subject to a levy; and 20
  - (b) the previously applicable differential factor continues to apply for the purpose of calculating the adjusted revenue from rates in respect of the land in that area.
- (3) However, **subsection (2)** does not apply if any of **subsections (4) to (6)** applies. 25
- (4) The Funding Board—
- (a) must apply the differential factor applicable to the absorbing contributing authority to an area absorbed from another contributing authority; and 30
  - (b) must do so for the year after the absorption and all later years.
- (5) The Funding Board must not take any account of the fact that the occurrence of an event may result in part only of the district of a local authority being levied. 35
- (6) The Funding Board is not authorised by **subsection (4) or (5)** to impose a levy on an area that is outside the contributing authorities' districts when this Act comes into force.

- (7) **Subsection (8)** applies when the Local Government Commission is exercising its jurisdiction over the constitution, alteration, union, or abolition of a territorial authority's district.
- (8) The Commission may—
- (a) review the effect of **subsections (4) and (5)** on the matter before it; and 5
  - (b) if the Commission considers it appropriate, make a decision that—
    - (i) has an effect different from the effect that the subsections have; and 10
    - (ii) applies for the period that the Commission considers appropriate.

#### *Funding payments*

- 37 Funding Board pays funding** 15
- (1) This section applies to the funding payable to a specified amenity under the Funding Board's approved funding plan for a financial year. 15
- (2) The Funding Board must—
- (a) pay the funding to the specified amenity; and
  - (b) do so as soon as is practicable after 12 July and no later than 15 August in the year; and 20
  - (c) tell the specified amenity about any conditions in the approved funding plan on the provision of funding.

#### Subpart 4—Reporting

- 38 Specified amenity does annual report** 25
- (1) This section applies to a specified amenity that has received or is receiving funding under this Act for a financial year.
- (2) The specified amenity must prepare a report that—
- (a) assesses the amenity's application of the funding against the matters specified in the amenity's annual plan for the year under **section 22(4)**; and 30
  - (b) contains financial statements for the year consisting of—
    - (i) a statement of financial position prepared in accordance with the New Zealand International Financial Reporting Standards; and 35
    - (ii) an overall operating statement; and
    - (iii) a statement of cash flows; and

- (iv) any other statements necessary to fairly reflect the amenity's financial position, the resources available to it, and the financial results of its operations; and
  - (v) any other information reasonably necessary to enable the Funding Board to make an informed assessment of the amenity's operations for the financial year as set out in its annual plan. 5
- (3) Where a specified amenity has the same financial year as the Funding Board, the financial statements provided under **subsection (2)(b)** must be audited and the annual report must contain the auditor's report. 10
- (4) Where a specified amenity has a different financial year to that of the Funding Board, the financial statements provided under **subsection (2)(b)** need not be audited but **subsection (5)** applies. 15
- (5) Where **subsection (4)** applies, the specified amenity—
- (a) must prepare audited financial statements for the financial year for the specified amenity; and
  - (b) provide those audited financial statements and auditor's report to the Funding Board within three months after the end of the specified amenity's financial year. 20
- (6) The specified amenity must prepare the report and send it to the Funding Board within 3 months after the end of the financial year to which it relates.
- 39 Funding Board does annual report** 25
- (1) The Funding Board must, at the end of every financial year, prepare a report that—
- (a) assesses the Funding Board's performance; and
  - (b) assesses the performance of each of the specified amenities, taking into account their annual reports under **section 38**; and 30
  - (c) contains audited financial statements for the year consisting of—
    - (i) a statement of financial position of the Funding Board; and 35
    - (ii) an overall operating statement of the Funding Board; and
    - (iii) a statement of cash flows of the Funding Board; and

- (iv) any other statements necessary to fairly reflect the Board's financial position, the resources available to it, the financial results of its operations, and the financial results of the specified amenities' operations; and 5
- (d) contains the auditor's report on the financial statements; and
- (e) contains any other information necessary to enable an informed assessment of the operations of the Funding Board and the specified amenities for the financial year as set out in the Board's funding plan adopted for the financial year. 10
- (2) The Funding Board must adopt the report within 5 months after the end of the financial year to which it relates.
- (3) Within 20 working days of adopting the report, the Funding Board must— 15
  - (a) make a copy available for public inspection; and
  - (b) give public notice that a copy is available for public inspection; and
  - (c) send a copy to each contributing authority and the Amenities Board. 20

#### 40 Contributing authority's annual report

Every contributing authority must include information about its dealings with, and payments to, the Funding Board in its annual report under section 98 of the Local Government Act 2002. 25

### Subpart 5—Miscellaneous provisions

#### 41 Specified amenities may seek other funding

- (1) This section applies to a specified amenity that has received or is receiving funding under this Act. 30
- (2) The specified amenity may receive public funding from any other funding agencies or sources, including—
  - (a) a central government agency; and
  - (b) a department specified in Schedule 1 of the State Sector Act 1988. 35
- (3) The specified amenity may not receive funding from a contributing authority for expenses that have been or are being funded under this Act.

**42 Auckland Zoo**

- (1) In this section, **Auckland Zoo** means the Auckland City Council undertaking known as the Auckland Zoo or the Auckland Zoological Park.
- (2) This section applies if the Auckland Zoo— 5
- (a) is established as a legal entity that—
- (i) carries out the functions of the Auckland Zoo; and
- (ii) is separate from the Auckland City Council; and 10
- (b) is registered as a charitable entity under the Charities Act 2005.
- (3) On and from the date of the establishment and registration, the Auckland Zoo—
- (a) is treated as if it were listed in **Schedule 1**; and
- (b) is subject to this Act. 15

## Subpart 6—Transitional provisions

**43 Funding Board: first appointments**

- (1) As soon as is practicable after this Act comes into force,—
- (a) the Electoral College must meet and appoint members of the Funding Board under **section 6(2)**; and 20
- (b) the Amenities Board must meet and appoint members of the Funding Board under **section 6(3)**.
- (2) The following provisions apply to the first members appointed to the Funding Board:
- (a) of the 5 members appointed under **section 6(2)**, 3 hold office for a term of 2 years and 2 for a term of 3 years; and 25
- (b) of the 5 members appointed under **section 6(3)**, 2 hold office for a term of 2 years and 3 for a term of 3 years; and 30
- (c) whether a member holds office for a term of 2 years or 3 years must be determined by lot, unless the members agree on a different method.
- (3) The term of office of a Funding Board member to whom **subsection (2)** applies ends on the 30 May— 35
- (a) in the second year after the member is appointed if the member's term is 2 years; and
- (b) in the third year after the member is appointed if the member's term is 3 years.

- (4) If the Funding Board does not have at least 6 members by the establishment day, the Board must not do any function or duty, or exercise any power, under this Act.
- (5) **Clause 4(6) of Schedule 4** applies to—
- (a) the first Funding Board appointed after the establishment day with 10 members; and
  - (b) every later board.
- 44 Funding Board: first actions**
- (1) The chairperson of the Electoral College must call the first meeting of the Funding Board as soon as is practicable after the establishment day. 10
- (2) The chairperson of the Electoral College must chair the first meeting until the Funding Board's members elect a chairperson.
- (3) At its first meeting, the Funding Board must— 15
- (a) elect 1 of the 5 members appointed by the Electoral College under **section 6(2)** as chairperson; and
  - (b) elect any member as deputy chairperson.
- (4) The Funding Board must, as soon as is practicable, adopt appropriate procedural rules to govern its operations and the conduct of its meetings. 20
- (5) **Section 24(4)** does not apply to the first draft funding plan that the Funding Board prepares.
- 45 Amenities Board: first actions**
- (1) The first appointments to the Amenities Board must be made before the establishment day. 25
- (2) The first meeting of the Amenities Board must be held as soon as is practicable after this Act comes into force to appoint members of the Funding Board under **section 6(3)**.
- (3) The first meeting may be called by any of the Amenities Board's members. 30
- (4) At its first meeting, the Amenities Board must elect one of its members as chairperson.
- 46 Termination of contracts or agreements between specified amenities and contributing authorities** 35
- (1) This section applies to a contract or agreement that—

- 
- (a) is made between a specified amenity and a contributing authority; and
  - (b) is made for the purpose of funding the specified amenity; and
  - (c) is in force on 1 July of the first financial year after this Act comes into force in which funding is to be received by the specified amenity under this Act. 5
- (2) The contract or agreement is terminated on the 1 July described in **subsection (1)(c)**.
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**Schedule 1**  
**Specified amenities**

Auckland Observatory and Planetarium Trust Board

Auckland Philharmonia

Auckland Regional Rescue Helicopter Trust

5

Auckland Theatre Company Limited

Coast Guard Northern Region Incorporated

New Zealand National Maritime Museum Trust Board

New Zealand Opera Limited

Surf Life Saving Northern Region Incorporated

10

The Auckland Festival Trust

Watersafe Auckland Incorporated

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**Schedule 2**  
**Funding for first financial year**

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Specified amenity	Amount of funding	
Auckland Observatory and Planetarium Trust Board	\$500,000	5
Auckland Philharmonia	\$1,500,000	
Auckland Regional Rescue Helicopter Trust	\$1,500,000	
Auckland Theatre Company Limited	\$800,000	
Auckland Zoo	\$4,000,000	10
Coastguard Northern Region Incorporated	\$500,000	
New Zealand National Maritime Museum Trust Board	\$1,000,000	
New Zealand Opera Limited	\$500,000	15
Surf Life Saving Northern Region Incorporated	\$700,000	
The Auckland Festival Trust	\$1,200,000	
Watersafe Auckland Incorporated	\$500,000	

44 **Schedule 3**  
**Contributing authorities and differential factors**

<b>Territorial authority</b>	<b>Differential factor</b>	
Auckland City Council	1.0	
Franklin District Council	0.6	5
Manukau City Council	1.0	
North Shore City Council	1.0	
Papakura District Council	1.0	
Rodney District Council	0.6	
Waikare City Council	1.0	10

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## Schedule 4

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## Administrative provisions for Funding Board

## 1 Nature

- (1) The Funding Board has perpetual succession.
- (2) The Funding Board is not a council-controlled organisation for the purposes of the Local Government Act 2002. 5

## 2 Independence

In doing the functions and duties, and exercising the powers, of the Funding Board, the members must act independently of— 10

- (a) the body that appointed them; and  
 (b) the contributing authorities; and  
 (c) the specified amenities.

## 3 No personal liability

Funding Board members are not personally liable for acts done or defaults made— 15

- (a) in good faith; and  
 (b) in the course of the Funding Board's operations; and  
 (c) by— 20  
 (i) the Funding Board, or  
 (ii) a Funding Board member.

## 4 Terms of office

- (1) Every Funding Board member is appointed for a term of 3 years starting on the day after the date on which the previous term ends. 25
- (2) **Subclause (1)** does not apply to members appointed under **section 43** or **clause 6(3)**.
- (3) Every member is eligible for reappointment.
- (4) **Subclause (5)** applies to a member to whom the following apply: 30  
 (a) his or her term of office ends; and  
 (b) he or she has not resigned his or her office; and  
 (c) he or she is not in a situation described in **clause 5(1)**.
- (5) The member continues to hold office by virtue of his or her appointment until— 35  
 (a) he or she is reappointed; or  
 (b) his or her successor is appointed.

- (6) The Funding Board's functions, duties, and powers are not affected by a vacancy in its membership.

#### **5 Resignations**

- (1) A Funding Board member may resign his or her office by giving a notice in writing or electronically to the advisory officer. 5

- (2) A member who resigns his or her office on terms that permit him or her to continue in office may do so by virtue of his or her appointment until his or her successor is appointed.

#### **6 Extraordinary vacancies**

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- (1) This clause applies if any Funding Board member is in one of the following situations:

- (a) the member dies; or
- (b) the member resigns his or her office on terms that do not permit his or her continuing to hold office; or 15
- (c) the member is absent without leave from 2 consecutive Funding Board meetings; or
- (d) the member becomes an elected or appointed member of a contributing authority; or
- (e) the member becomes the chief executive of a contributing authority; or 20
- (f) the member becomes an employee of a contributing authority; or
- (g) the member becomes a board member of a specified amenity; or 25
- (h) the member becomes an employee of a specified amenity; or
- (i) the member is declared bankrupt; or
- (j) the member becomes the subject of an order under section 383 of the Companies Act 1993; or 30
- (k) the member becomes subject to a compulsory treatment order made under Part 2 of the Mental Health (Compulsory Assessment and Treatment) Act 1992; or
- (l) the member becomes a special patient as defined in section 2(1) of the Mental Health (Compulsory Assessment and Treatment) Act 1992 Act; or 35
- (m) the member becomes the subject of an order under the Protection of Personal and Property Rights Act 1988; or

- (n) the member is convicted of an offence punishable by a term of imprisonment of 2 years or more.
- (2) If a member is in one of these situations,—
- (a) his or her term of office ends; and
- (b) the vacancy is an extraordinary vacancy. 5
- (3) An extraordinary vacancy must be filled in the same way as the appointment to the vacant office was originally made. The member appointed holds office only for the rest of the vacating member's term.
- (4) If an extraordinary vacancy occurs within 6 months before the date fixed for the next appointment to the office that has been vacated, the appointing body may decide not to fill the vacancy. 10
- 7 Chairperson and deputy chairperson**
- (1) The Funding Board must annually— 15
- (a) elect 1 of the 5 members appointed by the Electoral College under **section 6(2)** as chairperson; and
- (b) elect any member as deputy chairperson.
- (2) The chairperson and deputy chairperson may stand for re-election. 20
- (3) The chairperson of the Funding Board—
- (a) must preside at all meetings of the Funding Board at which he or she is present; and
- (b) has the functions, duties, and powers that the Board delegates to him or her from time to time. 25
- (4) The deputy chairperson must act in place of the chairperson in any case where the chairperson—
- (a) is absent; or
- (b) is unable to act for any other reason.
- 8 Meetings** 30
- (1) If the chairperson and the deputy chairperson are absent from a meeting, the members present must appoint one of their number to be the chairperson of the meeting.
- (2) A quorum for a meeting of the Funding Board is a majority of its members. 35
- (3) The Funding Board must decide every question before it in open voting by a majority of the votes recorded on it.

- (4) The person presiding at a meeting of the Funding Board has a deliberative vote and, if the votes are equal, also has a casting vote.
- (5) Meetings of the Funding Board must be conducted in public unless good grounds exist for excluding the public. 5
- (6) Part 7 of the Local Government Official Information and Meetings Act 1987 applies to the Funding Board as if it were a local authority subject to that Part.
- 9 Procedural rules**
- The Funding Board may regulate its own proceedings on matters not specifically dealt with in this Act. 10
- 10 Remuneration**
- (1) The Funding Board must decide how much to pay its members.
- (2) The Funding Board must decide to pay an amount that is appropriate having regard to— 15
- (a) the public purpose of its functions; and
- (b) the extent of public funding of its operations.
- (3) The Funding Board must not pay a member in a financial year an amount greater than that specified for the payment of a member in the funding plan adopted for the year. 20
- 11 Dealings with other bodies**
- The Funding Board may liaise, consult, and, if it considers necessary, enter into agreements with any body that—
- (a) provides funding to a specified amenity; or 25
- (b) is a potential source of funding for a specified amenity.
- 12 Advisory officer**
- (1) The Funding Board may appoint an advisory officer to assist it in doing its functions.
- (2) However, if the Electoral College requires it, the advisory officer must be a person seconded for service from one of the contributing authorities. 30
- (3) The advisory officer is responsible to the Funding Board for—
- (a) implementing the Board's decisions; and
- (b) ensuring that the Board's operations are conducted in a transparent and accountable manner; and 35

- (c) providing services and advice to Board members; and
- (d) ensuring the effective, efficient, and economic management of the Board's operations and planning; and
- (e) doing any other functions that the Board delegates to him or her. 5

**13 Auditor**

- (1) The Auditor-General is the Funding Board's auditor.
- (2) For the purpose of auditing the Funding Board, the Auditor-General— 10
  - (a) has and may do all the Auditor-General's functions and duties under the Public Audit Act 2001; and
  - (b) has and may exercise all the Auditor-General's powers under the Public Audit Act 2001.

21 November 2007

Moana Mackey  
Chairperson  
Local Government and Environment Select Committee  
Parliament House  
WELLINGTON 1

Dear Ms Mackey,

**SUBMISSION BY WAITAKERE CITY COUNCIL TO THE LOCAL GOVERNMENT  
AND ENVIRONMENT SELECT COMMITTEE CONCERNING THE AUCKLAND  
REGIONAL AMENITIES FUNDING BILL**

**1. Introduction**

Thank you for the opportunity to submit on the Auckland Regional Amenities Funding Bill.

The Waitakere City Council opposes the Bill in its present form for the reasons set out below. The Council agrees with the proponents of the Bill that issues relating to the funding of regional amenities should be addressed, but is strongly of the view that the proposals contained in the current Bill lack fairness, equity and accountability. The Council invites the Select Committee to either recommend significant amendments to the Bill, or alternatively refer the Bill to an alternative forum for robust and detailed consideration of the issues involved.

The Council sees a number of flaws and potential problems with the Bill in its current form. The Council also has some suggestions to make as to how issues relating to the funding of regional amenities can be positively addressed at this time. These are now set out.

**2. Issues**

**2.1 Process and Timing – Including the Role of the Royal Commission on Auckland Governance**

Since the Bill was first promoted, there have been some significant decisions made in relation to local government in Auckland. Firstly, the Councils of the region and the Government worked together on the Strengthening Regional Governance project. One of the proposals emerging from the project that was agreed to by Waitakere City Council was:

*“Regional Facilities*

*h) Greater Auckland to assume ownership and/or funding responsibility for existing facilities of a primarily regional nature, including the Auckland War Memorial and Transport Museums, and those facilities and services requiring regional funding; with any transfer of ownership and/or funding subject to a process of negotiation and agreement between parties. The starting point for the process would be the proposed ‘Auckland Regional Amenities Bill’ promoted by eleven region organisations and supported by Auckland City Council. Transfers will be contingent on:*

ASB

- *identifying a transparent process for the identification of the reduced rating requirements by relevant territorial authorities as a result of the transfer of functions*
- *identification of additional regional funding sources to support both existing and new facilities*
- *certainty (possibly through legislation) about the funding obligations and mechanisms that are to operate within the region."*

(part minute number 1145/2007)

The proposals contained within the final project report of which this was one, were agreed to by the Government.

Secondly, the Government has announced a Royal Commission on Auckland Governance. The Royal Commission has wide ranging powers to inquire into the structure and processes of local government in Auckland in order to maximise the current and future wellbeing of the region and its communities. The proposals contained in the Bill are matters that would appear to be squarely within the terms of reference of the Royal Commission. In addition, it seems premature and a waste of energy for Parliament to pass into law the Bill under the current set of governance arrangements and processes, if it is possible that the Royal Commission might recommend significant changes to those arrangements in the near future.

To that extent, the Council's view is that the Bill, and issues that it attempts to address, should be referred to the Royal Commission and that the Bill should not proceed at this time.

Should the Select Committee determine to recommend that the Bill proceed, Council wishes to see significant flaws in the Bill addressed. These are now commented upon.

## **2.2 Collecting Regional Funding - Role of the Auckland Regional Council**

The Waitakere City Council is of the view that the fairest way to collect funding for truly regional entities under current governance arrangements is via regional rates. This would remove potential inequities associated with different funding and rating policies across different Councils, and would place responsibility for a regional issue with the regional governance body.

In the explanatory note to the Bill, the discussion of alternatives to the proposal is brief. Funding via regional rates is dismissed on the basis that "*the Auckland Regional Council has resolved not to fulfil that role at this stage.*" Waitakere City Council does not see this as a valid or robust basis not to examine regional rates as a funding option. Several territorial authorities have expressed opposition to fulfilling a funding role, yet this has not deterred the promoters of the Bill from seeking funding from them. Waitakere submits that organisations that deliver public value on a regional basis should be funded and be accountable on a regional basis. The Council seeks a change to the Bill on this basis, with the Auckland Regional Council to become a funding body in whole or in part.

## **2.3 Decision Making on the Selection of Amenities and the Quantum and Source of Funding**

Waitakere agrees with the intent of the Bill that there are organisations that warrant long term funding security for the good of the Auckland region. However, the

Council's view is that there has been no opportunity within the region for debate on which organisations are appropriate to receive regional funding, and on what basis. The organisations listed in the Bill are currently 'self-selected'. The Council is of the view that there should be some scrutiny and debate on the merits of each of the organisations before they are given authority to compulsorily extract funding from the public purse.

The current Bill includes organisations who may or may not merit public funding, and potentially ignores other organisations who might be worthy of funding. By way of example, the MP for Tamaki Makaurau has raised publicly some examples of organisations that have been excluded from the Bill. This is one of the problems with the 'self selection' process that has been followed to get the Bill to this point.

The Council believes that there needs to be a regional process for establishing which organisations merit public funding, the quantum of the funding to be provided, and the source of that funding. While the Bill proposes processes including the Electoral College and the Funding Board, as well as a consultation process on the Funding Plan, these processes remove accountability for decision making from the elected representatives who are responsible for raising the funding from the public. The Council does not view this as a positive step. The Council believes that the processes for determining which entities receive funding and the quantum of that funding should be based on clear and transparent principles that set out the sorts of activities that are considered to deliver regional public value, and any thresholds or criteria that need to be met to qualify for funding. The Council also believes that there should be some regional political process whereby the funder of funders get to debate the level of funding. The Council believes that the Royal Commission on Auckland Governance should address these issues as part of its inquiry.

## **2.4 Unfair Funding Mechanism**

The Council's view is that the funding mechanisms proposed in the Bill are unfair. While the Bill proposes to set maximum levels of total funding that can be required from contributing authorities, it does so based on the level of rates revenue from the previous financial year. The method of allocation of the levy to individual authorities described above (individual Council rates revenue divided by combined rates revenue) unfairly favours Councils who have removed large components of cost (such as water and wastewater) from their rates levy over those who have not. Auckland City would be among those to gain the most from such an approach. This would seem unfair when for example it is arguably their businesses who gain the most economic benefit from the existence of a significant proportion of the amenities (see below).

The Council's view is that the proposed funding allocation mechanism is unfair and needs to be abandoned. Replacing it with funding via regional rates, or using some basis other than rates revenue would be fairer.

There is also the potential for unfairness arising from the location of amenities within the region. Part of the justification for funding regional amenities, and in particular arts and cultural amenities, is to create a vibrant and prosperous city-region. Aside from any intrinsic value these amenities might have, they are said to benefit communities by attracting people to localities and providing activity off which businesses can prosper. Most of the arts and cultural amenities listed in the Bill are physically located in Auckland City (e.g. the Maritime Museum and the Observatory) or perform or stage events and performances predominantly within Auckland City. This means that it is businesses within Auckland City that derive the benefits

associated with the spending power of audiences/patrons attracted to these events or facilities. In addition, it is likely for some amenities, although Council has no data on this, that those living closer to an event or amenity would be more likely to visit that event or amenity than those living further away. This is recognised in the Bill to some extent by the proposed differential factor of 0.6 on funding for the Rodney and Franklin Districts. This is presumably based on distance from and resulting use of a number of the amenities.

While not having a fixed position on how this issue should be resolved, the Council believes that further consideration should be given to it with a view to ensuring there is equity and transparency in the final decisions taken.

### **3. Closing Comments**

The Waitakere City Council hopes that you will find this submission useful in considering the Bill and the issues raised by it. While the promoters of the Bill are to be congratulated on bringing the issues surrounding the Bill forward into the public domain for much needed debate, passing the Bill in its current form would create a very unfair law. The Council wishes to see the Bill abandoned in its current form and the issues relating to the funding of regional amenities considered within the context of the inquiry by the Royal Commission on Auckland Governance. Failing this, the Council seeks significant changes to the Bill as outlined above in order to remove the unfairness currently contained within it.

For any further information on our submission please contact Ross McLeod, Director: Corporate and Civic Services, Waitakere City Council at [ross.mcleod@waitakere.govt.nz](mailto:ross.mcleod@waitakere.govt.nz) or on (09)839 3675.

Waitakere City Council wishes to be heard in support of our submission.

Yours faithfully,

Harry O'Rourke MNZM, JP  
Chief Executive Officer

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## Revised Elected Members Remuneration 2007

<b>Total Remuneration Pool</b>	<b>1,141,883</b>
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<b>Mayor's Salary</b>	<b>138,210</b>
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Details	Number	Current Salary	Percentage Increase	Change	Revised Salary	Total	Total from Pool
<b>Council</b>							
Mayor	1	138,210	(Fixed)	-	138,210	138,210	138,210
Deputy Mayor	1	77,434	0.00000000%	-	77,434	77,434	77,434
<b>Committees</b>							
Chair Policy and Strategy	0	-	0.00000000%	-	-	-	0
Chair Planning & Regulatory	1	-	0.00000000%	-	68,000	68,000	68,000
Chair Finance & Operational Performance	1	-	0.00000000%	-	68,000	68,000	68,000
Chair Infrastructure & Works	1	-	0.00000000%	-	68,000	68,000	68,000
Chair NORSSGA Urban Development	1	-	0.00000000%	-	68,000	68,000	68,000
Chair Culture and Community	1	-	0.00000000%	-	68,000	68,000	68,000
Chair Emergency Services	0	-	0.00000000%	-	-	-	0
Chair Long Term Council Community Plan	1	-	0.00000000%	-	65,000	65,000	65,000
Chair Performance Review	0	-	0.00000000%	-	-	-	0
<b>Deputy Chairs</b>							
Dep Chair Infrastructure & Works	1	-	0.00000000%	-	55,000	55,000	55,000
Dep Chair Planning & Regulatory	1	-	0.00000000%	-	55,000	55,000	55,000
Dep Chair Culture and Community	1	-	0.00000000%	-	55,000	55,000	55,000
<b>Subcommittees</b>							
Chair Tenders	0	0	0.00000000%	-	0	0	0
Chair Town Centres	0	0	0.00000000%	-	0	0	0
Chair Creative Communities Allocation	0	0	0.00000000%	-	0	0	0
Chair Community Sport Fund Allocation	0	0	0.00000000%	-	0	0	0
<b>Other Councillors</b>	4	-	0.00000000%	-	52,409	209,636	209,636

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**Revised Elected Members Remuneration 2007**

<b>Total Remuneration Pool</b>	<b>1,141,883</b>
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<b>Mayor's Salary</b>	<b>138,210</b>
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**Massey Community Board**

Chair	1	23,963	0.00000000%	-	23,963	23,963	11,982
Members	4	12,334	0.00000000%	-	12,334	49,336	24,668

**Waitakere Community Board**

Chair	1	23,963	0.00000000%	-	23,963	23,963	11,982
Members	4	12,334	0.00000000%	-	12,334	49,336	24,668

**Henderson Community Board**

Chair	1	23,963	0.00000000%	-	23,963	23,963	11,982
Members	4	12,334	0.00000000%	-	12,334	49,336	24,668

**New Lynn Community Board**

Chair	1	23,963	0.00000000%	-	23,963	23,963	11,982
Members	4	12,334	0.00000000%	-	12,334	49,336	24,668

<b>Total from Pool</b>	<b>35</b>	<b>1,288,476</b>			<b>1,141,878</b>		
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Chief Executive's Office  
RECEIVED  
8.11.07  
Doreen Griffin  
For info - please  
sent: 12/11/07

8-11-07

Harry O'Rourke  
Chief Executive Officer  
Waitakere City Council

Dear Harry

I herewith resign my councillor appointment to the Massey Community Board, effective immediately.

Yours faithfully

Linda Cooper  
Councillor  
Massey Ward

Cc Mayor Bob Harvey

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