

28 March 2023

To: Mayor.Wayne.Brown@aucklandcouncil.govt.nz

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Tēnā koe Mr Mayor

## **Letter of submission: Auckland Council's proposed budget**

### Philanthropy New Zealand and its relationship with Auckland Council

Philanthropy New Zealand | Tōpūtanga Tuku Aroha o Aotearoa (PNZ) is a membership organisation and the peak body for philanthropy and grantmaking in Aotearoa. Auckland Council is a highly respected PNZ member and community grantmaker.

Auckland Council management and staff are an important part of the Auckland funding ecosystem, engaging with other philanthropic and grantmaking organisations, including central government as well as private funders, to support communities. Funders working in silos put greater burden on community organisations to seek sufficient resource; meanwhile the funders themselves miss out on the efficiencies that come with information sharing and co-funding.

For example, Auckland Council has been a valued leader and voice in recent online sessions PNZ has convened where various actors in the flooding response and recovery work shared information to support a wider pool of funding flowing to where it's most needed.

### Council's proposed budget

PNZ acknowledges the financial demands on the Auckland Council that has led to its proposed budget, and the gap between its income and its expenditure.

However, we warn the council that the depth and breadth of cuts proposed for community groups and services will have significant consequences for the Auckland region – both in terms of its vibrancy and health; but also to its most vulnerable people. While it seems on the face of it a cost saving, this reduction in community investment will mean greater costs in the medium term.

We are talking in particular about the proposed reduction of:

- \$20m across regional community and social services;
- \$3m in regional contestable community funding;
- \$16m to local board funding.

Other philanthropic funders and grantmakers are already part-funding many of the organisations and programmes that you are seeking to reduce funding to, therefore have knowledge of their value. Within the three areas proposed for savings as listed above, examples of more specific concern include cuts to:

- Arts and culture programmes, particularly those that provide a voice and representation for diverse communities
- Community programmes and social services like the Citizens Advice Bureau that support community connectedness and resilience
- Homelessness initiatives, given the fundamental role that housing plays in individual, family and community wellbeing
- Skills and employment initiatives; including the Southern Initiative, the Western Initiative and COMET, which are highly regarded programmes by the wider funding sector
- Environmental education and climate action related programmes. The recent cost of climate change to Auckland in the January flooding highlights it is more important than ever for all sectors – local and central Government, business, not for profits, individuals, philanthropists and grantmakers – to increase support for action.

### The wider context

Philanthropy and grantmaking is estimated to contribute \$3.8b to Aotearoa New Zealand each year. Just over half of this comes from individuals, with the remainder coming from organisational givers, like trusts and foundations. This includes local government contestable funding for communities. \$3.8b is an amount that makes a huge difference to our communities, however it pales in comparison to Government funding.

We note that the council states in it's proposal "Where possible, the council will support affected partners to seek alternative funding or service provision, such as through central government or other agencies. Where alternatives are not identified the affected services may be reduced or stopped all together."

We would like to let the council know that these proposed cuts come at a time when a number of our members are reducing their granting budgets given lower returns on investment. This is set amongst an environment of increasing community need for a range of reasons, including the recent impacts of extreme weather on parts of the North Island; the impacts of Covid; cost of living increases and economic recession.

We cannot speak for central government. However, we advise the philanthropic and grantmaking sector will not be able to pick up the shortfall given the information we have about reduced granting budgets and higher than usual community need.

## Our request

We ask that the council factor in the consequences of cost savings in the area of strengthening communities, both in terms of withdrawing support for those most in need in your communities and also for those initiatives that are key to community cohesion and resilience, and the social, economic and environmental wellbeing of Auckland.

We ask you to reflect in your decision making on the leadership that community organisations display in the aftermath of any type of crisis, be it a Covid lockdown or flooding. They have the connections and knowledge to help those in need immediately – but only due to the social capital they have developed over years - with the support of enabling funders, like Auckland Council.

We would also like the council to acknowledge the valuable role its staff make in strengthening communities through a variety of activity, including funding. Collaborating with other funders for the good of the community is an important aspect of this and it takes resource to engage with others. We encourage adequate internal resourcing to ensure staff can continue their engagement with other funders in the best interests of Auckland communities.

Ngā manaakitanga



Sue McCabe

Chief Executive, Philanthropy New Zealand | Tōpūtanga Tuku Aroha o Aotearoa