

REPORT 2  
(1215/52/IM)

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## FUNDING WELLINGTON'S REGIONAL AMENITIES

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### 1. Purpose of Report

The Auckland Regional Amenities Funding Act (ARAFA) was passed in August 2008.

This report provides background information on the ARAFA and seeks the Committee's input and agreement on the proposed approach to review the funding of Wellington's regional amenities presented in the **'Funding Regional Amenities'** report approved by the Mayoral Forum on 27 November 2009 (attached in **Appendix A**).

A review of funding arrangements for amenities of regional scale and benefit in the Wellington region is timely to ensure these can be retained and continue to contribute to the region's ability to compete as a desirable place to live, work, play, learn, do business and invest.

### 2. Executive Summary

The *'Funding Regional Amenities'* report approved by the Mayoral Forum on 27 November 2009 proposes a process for the Wellington region to explore options for funding amenities that are of regional scale and significance.

The report does not identify specific entities but provides funding principles in the ARAFA that could be considered to develop a draft set of principles for the Wellington region. It seeks input on the proposed scope, approach and timeframes for a work programme reviewing the funding of regional amenities. Feedback from each council on the 27 November 2009 report will be discussed at the next Mayoral Forum on 20 February 2010.

### 3. Recommendations

Officers recommend that the Committee:

1. *Receive the information.*
2. *Agree to a review of regional amenities funding based on the approach (i.e. scope and timeframes) outlined in the 'Funding Regional Amenities' report (Appendix A) agreed by the Mayoral Forum on 27 November 2009.*

3. *Note that feedback from each council on the proposal to fund regional amenities will be considered at the next Mayoral Forum on 20 February 2010.*
4. *Agree to:*
  - a) *review funding principles contained in the Auckland Regional Amenities Funding Act 2008 as the initial basis to consider what constitutes a regional amenity and develop a draft set of principles for the Wellington region,*
  - b) *confirm any proposed principles for funding regional amenities after local market research has been undertaken (March – May 2010) to ensure principles are robust and satisfy the region's needs.*
5. *Agree that, subject to the outcome of consideration of the 27 November 2009 report by councils in the Wellington region, the Wellington Mayoral Forum will be the governance body for the review and the agreed work programme will be managed by the Chief Executives' Forum.*
6. *Note that the proposed work programme provides 'hold points' to allow for feedback and review by each council with advice to the Mayoral Forum.*

#### **4. Background**

The enactment of the Auckland Regional Amenities Funding Act in 2008 followed a three year project coordinated and funded by Auckland City Council (ACC) at a cost close to \$1 million.

The Act was developed in response to the need for:

- a) secure, sustainable funding for a number of arts, educational, rescue and community organisations that were seen as vital to the Auckland region;
- b) more equitable funding arrangements where amenities who provided regional benefits would receive funding from all Auckland territorial authorities.

Funding crises in four of the arts organisations named in the Act and a desire to share the funding load<sup>1</sup> were catalysts for Auckland City Council to invite a number of organisations to meet and discuss options (including legislation), that could potentially address the serious funding concerns of some of the regional organisations.

Prior to the meeting (between 1993 and 2005) Auckland City had commissioned six independent region-wide surveys to:

- determine what facilities residents judged to be regional in nature
- explore ways of funding these facilities
- establish ratepayers attitudes as to whether regional facilities should be funded on a shared basis

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<sup>1</sup> Auckland City provided approximately 94% of all territorial local authority funding to eight of the organisations named in the Act.

- test the willingness of residents and ratepayers to incur consequential increases in rates.

The surveys showed that the public perceived the specified range of organisations<sup>2</sup> to be regional in nature and that there was support for the concept of equitable funding from the seven territorial authorities. Two additional amenities (Auckland Regional Rescue Helicopter Trust and Coastguard Northern Region Incorporated) were added to the Auckland Regional Amenities Funding Bill due to significant public support highlighted in the surveys.

The Auckland War Memorial Museum Act 1996 (AWMM) and Museum of Transport and Technology Act 2000 (MOTAT) legislation was used as a starting point to develop governance structures, assessment criteria and the process to distribute funds contained within the Auckland Regional Amenities Funding Bill.

#### **4.2 Why look at funding regional amenities in the Wellington region?**

The recession, a reduction in sponsorship dollars, and in funds available through philanthropic and/or gaming trusts, has had a significant impact on Wellington organisations. At the same time, the demand for the services and programmes delivered by these organisations remains strong and in some cases is increasing. Organisations are struggling to maintain current levels of service, let alone develop new or more innovative programmes of activity. Constraints on household budgets have meant that most organisations do not feel able to increase user charges at this time. This situation may soon result in some organisations facing the type of financial crisis that precipitated the establishment of the regional amenities funding mechanism in Auckland.

An increase in funding for regional cultural amenities and events in other cities including Auckland and Christchurch also poses a threat to Wellington's cultural and events capital status.

It is already evident that the benefits delivered by some regional amenities to communities across the region are not matched by the financial contribution from those regions. As an example, 58% of people attending the 2008 NZ International Festival of the Arts were from Wellington City and 23% from the wider Wellington region. However, 10% of the festival's total revenue came from Wellington City Council as opposed to 1% from other local authorities in the region.

Positively, many organisations would like to increase the level of activity they undertake across the region. Increased income through a regional funding

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<sup>2</sup> The original organisations included in the research were: Auckland Zoo, Aotea Centre, The Art Gallery, Maritime Museum, North Harbour Stadium, Mt Smart (Ericsson Stadium), Auckland Rescue Helicopter Trust (Westpac Rescue), Watersafe Auckland, Auckland Observatory at One Tree Hill, Auckland Philharmonia, Opera New Zealand, The Auckland Festival, AK05, Regional Botanical Gardens, Auckland Theatre Company, Surf Lifesaving.

mechanism would result in more activity being delivered within (or be of direct benefit to) communities across the Wellington region.

It is therefore timely and appropriate for the region to assess future needs of and risks to regional amenities and events with a view to funding their activities on a more sustainable and equitable basis.

#### 4.3 How the Auckland Regional Amenities Funding Act 2008 (ARAF) works

Funding is collected as a levy from the general revenues of each of Auckland's seven territorial authorities.

The formula used to calculate the levy each authority must pay is as follows:

$$\frac{\text{Adjusted revenue}}{\text{Total adjusted revenue}} \times \text{Maximum total levy of contributing authorities}$$

**Adjusted revenue** is determined by adjusting the revenue from rates<sup>3</sup> (taken by each contributing council in the previous financial year) using a differential factor specified in the legislation (see Table 1 below). The differential recognises that the services provided by the amenities are not shared evenly given the distance or isolation of some council areas.

**Total adjusted revenue** is the total of all rates revenue taken by all the regional authorities adjusted by the differential.

**Maximum total levy of contributing authorities** –the Act specifies the amount of funding to be provided for each amenity in the first (see Table 2), second and third years of implementation. It is capped for the fourth and subsequent years.

**Table 1 Contributing authorities and differential factors**

<b>Territorial Authority</b>	<b>Differential factor</b>
Auckland City Council	1.0
Franklin District Council	0.6
Manukau City Council	1.0
North Shore City Council	1.0
Papakura District Council	1.0
Rodney District Council	0.6
Waitakere City Council	1.0

The Act specified the amount of funding to be provided for each organisation in the first year of implementation (2009/2010):

<sup>3</sup> Revenue from rates means all revenue from all rates under the LG (Rating) Act 2002 except the part of any general rate for water supply or wastewater.

**Table 2      Funding for the first financial year**

<b>Specified amenity</b>	<b>Amount of funding</b>
Auckland Observatory and Planetarium	\$500,000
Auckland Philharmonia	\$1,500,000
Auckland Regional Rescue Helicopter	\$1,500,000
Auckland Theatre Company	\$800,000
Auckland Zoo <sup>4</sup>	\$4,000,000
Coastguard Northern Region Inc	\$500,000
NZ National Maritime Museum	\$1,000,000
NZ Opera	\$500,000
Surf Life Saving Northern Region Inc	\$700,000
Auckland Festival	\$1,200,000
Watersafe Auckland Inc	\$500,000
<b>Total</b>	<b>\$12.7 million</b>

Funding is for operational expenses and is not available for capital expenditure or for any part of the facility or service that the amenity provides outside of the Auckland region.

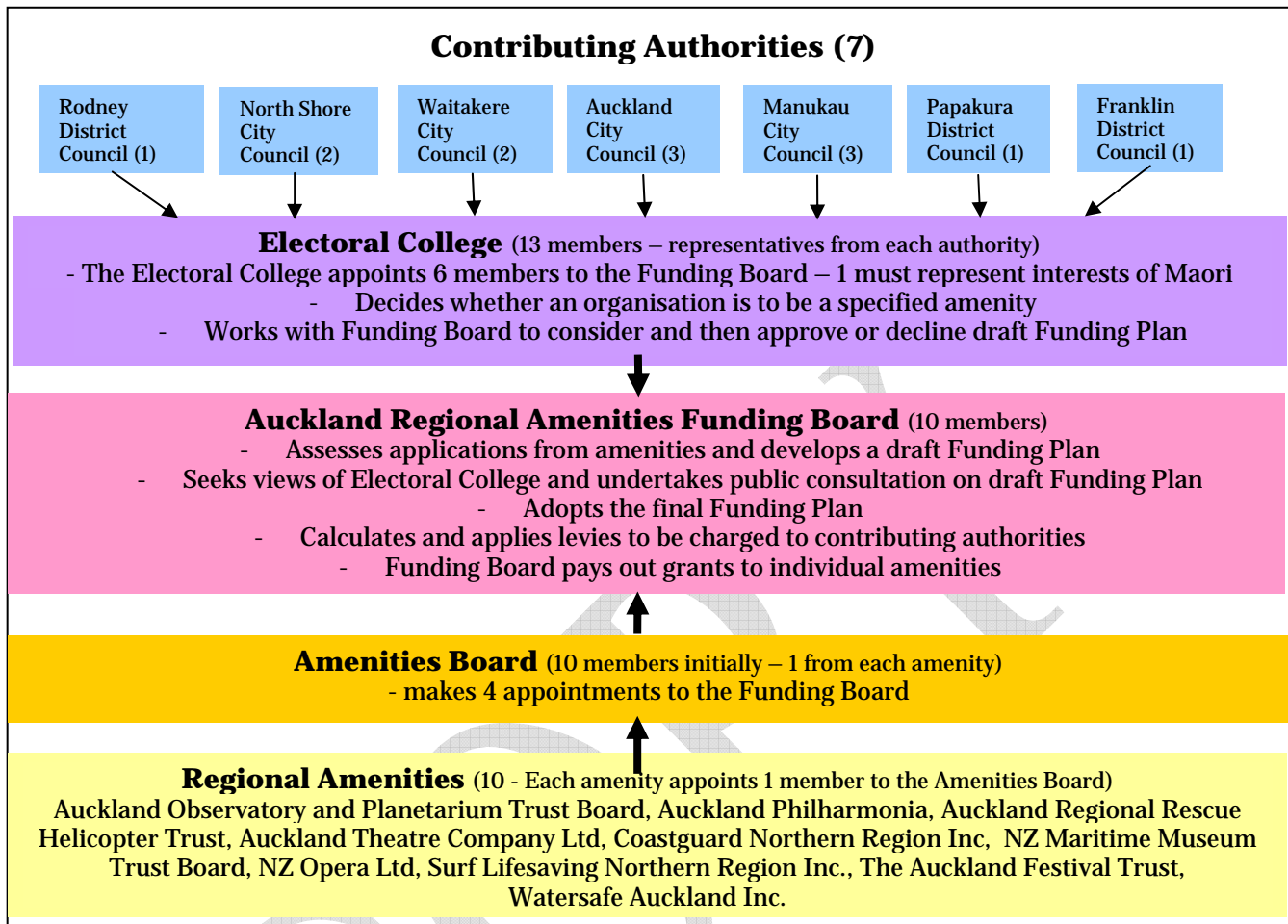
After the first year, the amount to be paid to each entity will be determined as part of an annual funding plan developed by the Auckland Regional Amenities Funding Board (see Diagram 1 below). The Act allows the combined levy of contributing authorities to rise to a maximum of \$16 million in the second year (2010/2011) and \$19 million in the third year (2011/2012) of its implementation.

In the fourth and subsequent years, the maximum combined levy will be 2% of the total adjusted revenue from rates of all contributing authorities in the previous financial year.

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<sup>4</sup> Funding for the Auckland Zoo under the ARAFA is subject to the Zoo being set up as a separate entity from the Auckland City Council. In the event the Auckland Zoo has not been set up as a separate entity, then the maximum amount to be levied on all councils combined will be \$12 million and \$15 million in the second and third years of the Act respectively.

**Diagram 1 Regional Amenities Funding Mechanism**



## 5. Discussion

### 5.1 Developing an appropriate local approach

The 27 November 2009 report approved by the Mayoral Forum proposes a work programme to clarify issues around:

- the sustainability of funding in the Wellington region
- future needs
- risks to existing amenities/events and the implications for the region
- equity (whether facilities/events of regional scale and benefit should be funded regionally)
- resident and ratepayer willingness to pay on a regional basis and which organisations/events would be seen to be 'regional amenities'.

Auckland's solution was driven by a number of specific concerns and used existing legislation<sup>5</sup> as a guide for the development of the ARAFA.

<sup>5</sup> The Auckland War Memorial Museum Act 1996 and Museum of Transport and Technology Act 2000

It is important that the potential development of a regional funding mechanism for Wellington is appropriate to meet Wellington's unique context and has the flexibility to respond to current and future needs. While legislation has the advantage of providing certainty of funding arrangements, a non-legislative approach has the advantage of responding more flexibly to future needs.

There are a number of areas Wellington could consider in the development of a regional amenity funding mechanism (whether through legislation or other means) that have not been included in the ARAFA such as:

- a) ***the inclusion of regional events*** - given that events provide significant benefits to the wider region, both in terms attracting residents across the region as attendees and as drivers of visitation to the region, there is a case for extending the scope of activities to be funded from a regional levy to include events of regional significance
- b) ***a contestable funding application process within the funding mechanism*** to allow the region to respond to new opportunities that arise over time
- c) ***a flexible funding mechanism that allows the region to change the mix of amenities and activities funded regionally over time.*** Auckland's legislation does not have the provision to easily include new, or remove existing amenities from the schedule.

### 5.3 Possible principles for what constitutes a "regional amenity"

The ARAFA sets out specific criteria for what constitutes a regional amenity for the purposes of regional funding. These principles are listed in the attached report (**Appendix A, Section 6**). Subject to further consideration by all councils, these could be adapted into a draft set of principles for the Wellington region, to be used (on an initial basis) to consider what constitutes a regional amenity.

While some of the principles listed in the ARAFA may be suitable for Wellington<sup>6</sup>, it is recommended that more work be done after local market

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<sup>6</sup> For example the organisations/events should provide facilities or services to residents of and visitors to the Wellington region and be perceived as regional; the facilities services should not otherwise generally be available; residents of the region should visit, use or benefit from the organisation/event; the organisation should have proper governance and management structures to ensure any funding provided to it is used for the organisation's facilities/services and the organisation should have an excellent track record (properly prepared budgets, audited financial accounts, annual business plans and long-term plans).

research has been undertaken to ensure the proposed principles are robust and will meet the region's needs.

Any final definition and confirmation of regional amenity status will need to be considered by each Council and agreed through the regional process as proposed.

#### 5.4 Proposed programme of work and timeframes

This paper seeks the Committee's agreement to the proposed scope of work, approach and timeframes outlined for the potential funding of regional amenities from February 2010 to February 2011. The work programme is provided in more detail in **Appendix 1** of the attached report (**Appendix A**).

The work programme is divided into several key phases, at the end of each of which will be an opportunity for review and input by each Council:

<b>Timeline</b>	<b>Work phase</b>
February 2010	Councils agree to scope of work and draft principles
March – May 2010	Clarify issues to be addressed Research undertaken to determine what constitutes a regional amenity
June – July 2010	Hold point – review by each Council – feedback considered by Mayoral Forum
August – October 2010	Identify funding and governance options
November – December 2010	Hold point – review by each Council – feedback considered by Mayoral Forum
February 2011	Recommendation

The timeline has been developed considering local government elections and draft annual plan consultations. It assumes that it would be desirable to present initial findings on what constitutes a regional amenity, including funding and governance options, to incoming councils around November 2010 so their views can be reflected back to the Mayoral Forum by the end of 2010, before progressing to a final recommended outcome by February 2011.

#### 5.5 Consultation and engagement

Officers will meet with representatives from a range of amenities and consult further on the proposal depending on the outcome of the 20 February 2010 Mayoral Forum meeting.

#### 5.6 Financial considerations

The proposed research and work included in the above programme will be undertaken using existing resources.



## **5.7 Climate change impacts and considerations**

There are no direct climate change considerations in proposed work programme to review the funding of regional amenities.

## **5.8 Long-term Council Community Plan Considerations**

As per point 5.6, the proposed research and work included in the proposed work programme will be undertaken using existing resources.

## **6. Conclusion**

This report presents the *'Funding Regional Amenities'* report approved by the Mayoral Forum on 27 November 2009 and provides background information on the Auckland Regional Amenities Funding Act 2008 to seek input and agreement on the proposed scope, approach and timeframes for a work programme reviewing the funding of regional amenities.

Contact Officer: *Aroha Rangi, Senior Policy Advisor*

## **Supporting Information**

### **1) Strategic Fit / Strategic Outcome**

The proposed work programme supports Wellington's vision to be *a vibrant, internationally competitive and affordable city* as well as potentially contributing a great deal to the Council's economic and cultural wellbeing aims of *supporting growth to enhance quality of life and shaping Wellington's unique cultural identity*. Phase Two of the proposed work programme includes research to test community views about regional amenities. This work will contribute to the Council's governance strategy aims of *Wellingtonians becoming more actively involved in the direction of their communities*.

### **2) LTCCP/Annual Plan reference and long term financial impact**

Proposed research and work included in the proposed work programme will be undertaken using existing resources.

### **3) Treaty of Waitangi considerations**

There are no Treaty of Waitangi considerations at this stage of the proposed approach, however further contact should be made with both mana whenua groups to discuss the approach and research in more detail if councils decide to progress with the work programme after the 20 February 2010 Mayoral Forum meeting.

### **4) Decision-Making**

This report asks the Committee for feedback and agreement on the scope of work, approach and timeframe for a proposed review of funding Wellington's regional amenities.

### **5) Consultation**

#### **a) General Consultation**

Early contact has been made with some interested stakeholders including Sir David Gascoigne, NBR New Zealand Opera; Gisella Carr, Te Papa; Sir Ron Scott; Sue Paterson, New Zealand International Arts Festival; Pat Stuart, Wellington Museums Trust, Amanda Skoog, Royal New Zealand Ballet and Karen Fifield, Wellington Zoo. Further contact and conversations with a range of amenities will be undertaken should councils decide to progress with the work after the 20 February 2010 Mayoral Forum.

#### **b) Consultation with Maori**

Both Wellington Tenth's Trust, Port Nicholson Block Settlement Trust and Te Runanga o Toa Rangatira have been provided with a copy of the 27 November 2009 report. Further contact and conversations with both groups will be undertaken should the councils of the region decide to progress with the work after the 20 February 2010 Mayoral Forum.

### **6) Legal Implications**

There are no legal implications with the proposed work programme presented in the 27 November 2009 report approved by the Mayoral Forum.

### **7) Consistency with existing policy**

The paper is consistent with existing policy.

## APPENDIX A

**APPROVED BY THE WELLINGTON MAYORAL FORUM ON  
27 NOVEMBER 2009**

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### **FUNDING REGIONAL AMENITIES**

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#### **1. Purpose of Paper**

The enactment of the Auckland Regional Amenities Funding Act (ARAFA) 2008 suggests that it would be timely for the Wellington region to undertake a review of its own funding arrangements for regional amenities. The purpose of the review would be to ensure that those amenities of regional scale and benefit continue to have adequate long-term funding, given their significant contribution to Wellington's profile as an attractive, vibrant and competitive city-region.

This issue has been discussed by the Chief Executives Group (CEG) and the Mayoral Forum. The Mayoral Forum has agreed for the following paper to be presented to each Council with a view to seeking input and agreement on a proposed work programme on regional amenities funding, to be administered via the CEG.

A programme of work for the region is attached. The work programme is divided into several key phases, at the end of each of which will be an opportunity for review and input by each Council.

#### **2. Recommendations**

It is recommended that each Council:

1. **Receive** the report
2. **Note** that feedback from each Council on this paper's proposal will be considered at the next Mayoral Forum in February 2010
3. **Agree** to a review of regional amenities funding on the basis of this report;
4. **Agree** that, subject to the outcome of the consideration of this report by Councils, the Wellington Mayoral Forum will be the governance body for the review and the chief decision making body, with direct channels of communication to the separate Councils, and that the Chief Executives' Forum will deliver an agreed programme of work and advice to the Wellington Mayoral Forum (as outlined in **Appendix 1**)

### **3. Background**

With the enactment of the Auckland Regional Amenities Funding Act (ARAFa) in August 2008, it is timely to consider whether Wellington needs to review the funding arrangements for its own regional amenities. The ARAFa was introduced in response to the need for a more secure and sustainable funding arrangement for regional amenities, including various charitable, cultural and performing arts organisations, as well as for major events. The Act significantly increases the overall funding pool available to support these amenities (from \$3.6 million in 2007/08 to around \$16 million in 2010/11), recognising that they provide invaluable services for the community and form an important part of an attractive, vibrant city.

As in the case of Auckland, there are a number of cultural and community organisations and events in Wellington that contribute to Wellington's overall well-being and to its appeal as a lifestyle and visitor destination. Wellington's claim to international competitiveness depends in part on its ability to ensure a secure funding stream for these amenities and services. There would be negative consequences for Wellington city and the region as a whole – given the city-region interrelationship - should Wellington fail to keep up with the future funding needs of the amenities expected of a major city-region and cultural centre.

The fact that potential competitors such as Auckland will be increasing their level of funding for cultural amenities over the medium term puts even greater pressure on Wellington to examine the adequacy of its current funding arrangements. Besides the potential threat this poses to Wellington's "cultural capital" status, there is a risk of signature events being poached by other centres.

### **4. Regional governance**

The region has begun discussions on Wellington's future governance, driven in part by changes afoot in Auckland, but also because we need to consider what is best for our own future and be prepared for change. The Regional Mayoral Forum has agreed that a draft terms of reference for a review of governance in the Wellington region should be considered by each council in the region, with feedback being provided to the regional Chief Executives Group for consideration in early 2010.

Any major changes as a result of this process are likely to be some way off, and the imperatives for reform in Auckland will be different in Wellington. In the meantime, there is a need for the region to provide leadership on the question of regional amenities funding. As was the case in Auckland, the possibility of future regional governance reform should not impact on the need to examine possible solutions for funding of regional amenities.

## 5. Auckland Regional Amenities Funding Act (ARAFa)

The ARAFA provides a legislative framework for regional amenities funding, including governance mechanisms to oversee and apportion funding to eligible entities. This may be one model to explore should Wellington choose to decide to go down a similar track (without ruling out the possibility of a non-legislative option.) Under ARAFA, an Electoral College of territorial authority representatives (established under the Auckland War Memorial Museum Act 1996) will decide which entities will be eligible for funding under the Act and, as well as a funding plan for each financial year. In carrying out these duties, the Electoral College will receive advice from a Funding Board, comprising ten members – six appointed by the Electoral College and four by relevant amenities recognised under the Act (the Amenities Board).

The Act contains a list of criteria for determining what is a regional amenity for the purposes of regional funding. This includes whether or not funding of the amenity contributes to the wellbeing and attractiveness of the region as a place to live and visit, whether residents of the region use, or otherwise benefit from, the particular services or facilities, the perceptions of residents as to whether the facility or service is regional, whether the amenity is a registered charitable trust, and the type of internal accountability structures and reporting processes that the organisation has in place.

A list of existing Auckland organisations considered to be of regional significance is included in the Act, as set out in the table below. This does not preclude other entities from applying for regional amenity status.

The Act specifies the amount of funding to be provided for each organisation in the first year of implementation. This represents an overall increase in funds from approximately \$3.6 million allocated in the 2007/2008 financial year (with Auckland City Council providing the main share) to \$12.7 million in the 2009/2010 year, with the funding burden redistributed between councils in the region according to a formula. The current year's funding allocation for each specified amenity is shown in **table 1** below.

Following the first year of funding under the Act, the amount to be paid to each entity will be determined as part of an annual funding plan developed by the Funding Board. The Act allows the combined levy of contributing authorities to rise to a maximum of \$16 million in the second year (2010/2011) and \$19 million in the third year (2011/2012) of its implementation.<sup>7</sup>

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<sup>7</sup> In the event the Auckland Zoo has not been set up as a separate entity, then the maximum amount to be levied on all councils combined will be \$12 million and \$15 million in the second and third years of the Act respectively.

**Table 1: Funding for regional amenities in Auckland**

<b>Specified Auckland amenity</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Auckland Observatory and Planetarium	\$500,000	Maximum combined levy of \$16 million	Maximum combined levy of \$19 million
Auckland Philharmonia	\$1,500,000		
Auckland Regional Rescue Helicopter	\$1,500,000		
Auckland Theatre Company	\$800,000		
Auckland Zoo <sup>8</sup>	\$4,000,000		
Coastguard Northern Region Inc	\$500,000		
NZ National Maritime Museum	\$1,000,000		
NZ Opera	\$500,000		
Surf Life Saving Northern Region Inc	\$700,000		
Auckland Festival	\$1,200,000		
Watersafe Auckland Inc	\$500,000		
<b>Total</b>	<b>\$12.7 million</b>		

In the fourth and subsequent years, the maximum combined levy will be 2% of the total adjusted revenue from rates of all contributing authorities in the previous financial year.

The funding formula as it applies to each contributing local authority is based on council revenue from rates, but adjusted for a differential factor specified in the legislation. (The differential recognises that the services provided by the amenities are not shared evenly given the distance or isolation of some council areas.) This adjusted revenue is then multiplied by the total amount to be paid to regional amenities to determine the individual council contribution, i.e.:

Adjusted revenue \_\_\_\_\_ X Total amount

Total adjusted revenue

Post-transition to the new Auckland Council in November 2010, it is anticipated that the funding stream and mechanisms remain largely the same as now, the difference being that the Electoral College that currently comprises the territorial authority representatives of the region be replaced by either a committee of the Auckland Council or possibly a council-controlled organisation.

<sup>8</sup> Funding for the Auckland Zoo under the ARAFA is subject to the Zoo being set up as a separate entity from the Auckland City Council.

## **6. Possible principles for what constitutes a “regional amenity”**

The ARAFA sets out specific criteria on what constitutes a regional amenity for the purposes of regional funding (below). Subject to further consideration by Chief Executives, these could be adapted into a set of principles for the Wellington region, to be used as an initial basis on which councils might consider what constitutes a regional amenity for the purposes of carrying out a regional exercise. Any final definition and confirmation of regional amenity status would, however, need to be agreed through the regional process.

*Auckland Regional Amenities Funding Act 2008 – assessment criteria for regional amenities for funding purposes (s14):*

- *whether funding the organisation meets the purposes of this Act [namely, to provide adequate, sustainable and secure funding for amenities that contribute to Auckland’s well-being and its attractiveness as a place to live in and visit]; and*
- *whether the organisation provides its facilities or services to residents of and visitors to the Auckland region; and*
- *whether the facilities or services that the organisation provides to residents of and visitors to the Auckland region are facilities or services that are not otherwise generally available; and*
- *whether the residents of the Auckland region visit or use, or otherwise benefit from, the organisation; and*
- *whether, according to independent market research, the residents of the Auckland region perceive the organisation as a regional one; and*
- *whether the organisation has proper governance and management structures; and*
- *whether the organisation has structures for ensuring that any funding provided to it under this Act is used predominantly for the organisation’s facilities or services; and*
- *whether the organisation has operated within a properly prepared budget, annual business plan, and long-term plan over the 5 years immediately before the date on which the Funding Board or the Electoral College applies this criterion; and*
- *whether the organisation has audited financial accounts covering the 5 years immediately before the date on which the Funding Board or the Electoral College applies this criterion; and*
- *whether the organisation is a registered charitable entity under the Charities Act 2005.*

The ARAFA criteria restricts eligibility to those amenities that are registered as a charitable entity under the Charities Act 2005.

The region might also need to consider as part of the work programme whether the rationale for funding regional amenities should also apply to funding regional events, i.e. those high profile events that deliver regional benefits such as the Sevens, World of Wearable Art and Rugby World Cup. (The International Festival of the Arts is a registered entity but could also be seen as a regional event). These signature events are arguably as important to the profile and

economy of the region as more conventional institutions. Given their significance and the fact that such events are increasingly vulnerable to competitive bidding by other cities, there may be a case for considering regional events alongside other amenities that are potentially eligible for regional funding.

## **7. Next steps**

The principle that underpins ARAFA - that the amenities and services contributing to the well-being of the region should be funded regionally – is one that has potential resonance in the Wellington context. However, any solution here in Wellington needs to be grounded in an assessment of the current and future needs of the region, plus an understanding of what the wider community considers an appropriate level of support for regional amenities/services and what these might be.

The Auckland approach was informed by a series of market surveys to test public perceptions around which amenities were regional in nature, as well as the community's support for sharing the funding burden for these. Similar market research would need to be carried out here in Wellington.

**Appendix 1** outlines a possible programme of work, based on the steps that would need to be undertaken as part of a regional discussion, relevant issues for consideration, and a broad timeline for the completion of various phases of work. Consideration might be given to which local authority/ies and/or organisations may be best placed to lead key pieces of work.

The work programme is divided into several key phases, at the end of each of which will be an opportunity for review and input by each Council.

There are some practical timing considerations relating to the local government elections and draft annual plan consultations. Based on the timeline outlined below, it is assumed that it would be desirable to present initial findings on what constitutes a regional amenity, including funding and governance options, to incoming councils around November 2010 so their views can be reflected back to the Mayoral Forum by end 2010, before moving on to a final recommended outcome by February 2011.

*Contact Officer: Garry Poole, Chief Executive Officer, Wellington City Council*





**HOLD POINT: REVIEW BY EACH COUNCIL – FEEDBACK CONSIDERED BY MAYORAL FORUM June - July 2010**

<p><b>3. Funding and governance options</b></p> <p>Identify funding options</p>    <p>Identify governance options</p>	<p>Explore options on appropriate level of funding appropriate sources (e.g. share of local government funding vis-à-vis other sources) options for equitable distribution of funding burden on TLAs (e.g. based on population/how benefits shared across region)</p> <p>Identify mechanisms needed to decide regional status of new potential amenities apportion and oversee funding</p> <p>as well as how these should be formalised, e.g. through legislation or other channels.</p>	<p>August-Oct 2010</p>
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**HOLD POINT: REVIEW BY EACH COUNCIL – FEEDBACK CONSIDERED BY MAYORAL FORUM Nov - Dec 2010**

<p><b>4. Recommendation</b></p>	<p>Agree on preferred option based on funding and governance solution identified above, and identify next steps required for implementation</p>	<p>February 2011</p> <p>(Note: Auckland's process took approximately 14 months from time Bill was drafted to passage into law)</p>
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