

STATEMENT OF PROPOSAL: REGIONAL AMENITIES FUNDING

A Regional Amenities Fund

Local authorities in the Wellington region, including Wellington City Council, propose the establishment of a Regional Amenities Fund (the Fund). The Fund is intended as a 'top up' funding mechanism for entities that provide regional benefits primarily in the arts, culture and environmental attractions and events sectors. Individual Councils would continue with their existing investments into local amenities.

Why a Fund?

As entities struggle to maintain talent and their current levels of service as a consequence of ongoing funding pressures, the councils in the Wellington region have begun looking at options for the funding of Wellington's regional amenities.

In addition, entities in the Wellington region are experiencing the pull and greater investment power of Auckland and councils have sought to use the collective resources of the region to maintain and develop entities that enhance the region's unique points of difference and quality of life.

Through this activity the Fund ensures that regionally significant entities can be developed or sustained in the Wellington region to contribute to the region's quality of life; attractiveness to residents and visitors; and economy.

Survey of Residents

The councils in the Wellington region commissioned Colmar Brunton to survey 2000 residents across the Wellington region in March 2011 about their willingness to pay for regional amenities. They also asked what amenities the residents believed should receive region-wide support.

The Colmar Brunton survey found that a majority of the region's residents - 76% - were willing to pay between \$25 and \$50 per year to support regional amenities, across all income brackets. The survey also found that residents backed region wide support for a wide range of amenities including Te Papa, the Wellington Zoo and Kapiti Island. Resident's support was not strongly related to levels of direct use.

A copy of the full March 2011 report can be found at www.wellington.govt.nz/aboutwgtn/mayorforum/amenities/pdfs/amenities.pdf.

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The Proposed Fund

1. Top up fund

There is a long history in the Wellington region of funding a wide range of amenities based on longstanding relationships between councils and the amenities. Rather than undoing this it was seen as less complicated and more efficient to retain the current funding system and establish a new regional amenities fund that could supplement the current funding arrangements.

2. Regional or local rate

A regional funding mechanism, agreed through each council's Long Term Plan (LTP) has been proposed. Once established, it is proposed that the Wellington Regional Amenities Funding Agreement be reviewed on a three yearly basis as part of the review and development of each councils' LTP.

For each council's share of the Fund, the council would determine how to fund it. This includes how to apportion the rate in their area between residential, rural and commercial. Wellington City Council proposes a general rate of 40%, a commercial rate of 30% and a Downtown Levy of 30%.

3. Amount of the fund

We met with a number of amenities to establish the size of the funding problem they are experiencing, and to understand the impact of changes in sponsorship on them as a consequence of the economic recession. We also considered the potential implications of Creative New Zealand's move to a national/regional tiered funding structure, which has seen a change in the amount of funding available for Wellington's regional amenities.

A Fund beginning at \$2 million, capped at \$3 million, was chosen to respond to the financial needs of regional amenities, while considering issues of affordability for our residents. This comes well within the results of the Colmar Brunton survey, which found that 57% of respondents were willing to pay \$25 or higher per year for regional amenities.

4. Apportioning the cost

The development of a dynamic fund that grows incrementally each year was chosen because it will allow the councils to work together as a region, building the Fund slowly over time to extend support to a larger number of entities or projects each year as the Fund develops.

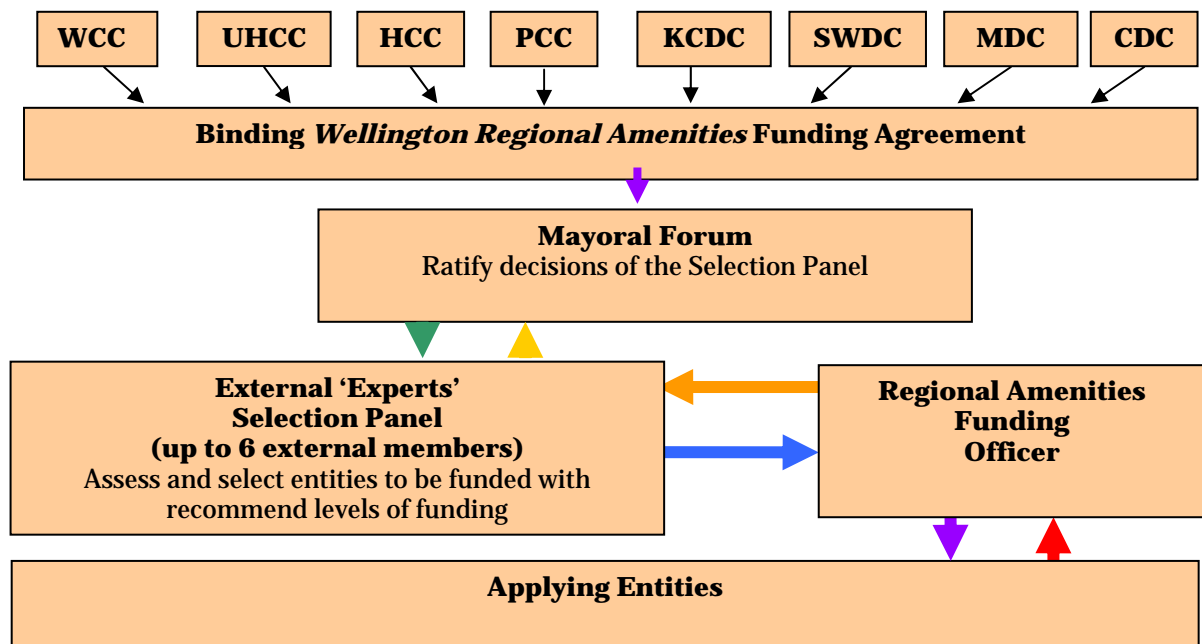
We looked at different funding options and have chosen a mechanism which builds in a distance differential, notwithstanding the importance of other benefits from amenities such as the contribution to regional employment and increased regional

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attractiveness and liveability. The distance differential recognises that currently most regional amenities are located in Wellington City which is a benefit to the city, and that services provided by the amenities may not be shared evenly given the distance between them and the outlying council areas.

It is proposed that the Fund would start at \$2m in 2013/14 (with a \$1 million levy in the 2012/13 establishment year) and grow by \$250,000 each year to a cap of \$3 million in 2017/18.

5. Governance



It is proposed that an independent Selection Panel of six external experts, with the members and Chair appointed by the Mayoral Forum, would select appropriate entities or projects for regional support. The Selection Panel would be required to make the best funding decisions for the region, rather than as representatives of specific cities or districts or entities seeking funding.

The Selection Panel would work with a Wellington Regional Amenities Funding Officer based in Wellington City Council working on behalf of participating territorial authorities. They would assess funding applications, select appropriate entities and decide on the level of funding to be provided to successful amenities. The Selection Panel's decisions would be ratified by the Mayoral Forum, which would need to be formalised as a Joint Committee by resolution of each participating council.

6. Selection criteria

To be eligible for support, entities will:

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- be recognised as an arts, culture and environmental attraction and/or event which provides a regionally significant facility or service that contributes to the wellbeing and attractiveness of the Wellington region as a place to live and visit
- demonstrate the regional benefit of their project, service or facility to residents and visitors to the Wellington region
- provide facilities or services not otherwise generally available
- be financially and administratively well managed with good governance and an excellent track record
- have structures to ensure all regional funding provided to the entity is used for facilities or services provided to Wellington region residents and visitors
- have audited financial accounts covering the previous 5 years
- meet the stated funding outcomes and priorities of the regions councils

In addition, amenities would be assessed on:

- their level of innovation
- their level of need (entities would need to clearly demonstrate a need for public funding and provide information on other funding bodies they are applying to)
- the extent to which the amenity delivers benefits (economic, environmental, cultural and social) to the region
- the reach of the amenity to the regional audience
- its ability to provide positive publicity and marketing for the region.

The region would develop and provide a clear list of regional priorities as part of the LTP process. Priorities would be reviewed every three years alongside the LTP. The Selection Panel would select entities and projects against these priorities so there is a clear link between the activity funded and the strategic goals of the region.

Funding will be available for projects focused on arts and culture as well as environmental attractions and events. Both sectors are essential to the region's quality of life and economy, and funding needs in both sectors are high.

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7. Financial Implications

The development of a Fund using a differential considering distance would require an additional \$594,000 in funding from Wellington City Council in the set up year (2012/13).

In the first full year of operation of the Fund (2013/14) Wellington City Council's dollar share of the fund would be \$1,188,000 for a \$2 million regional fund, with Wellington City Council providing 59.4% of the fund.

8. Submissions

Comments can be made online at www.Wellington.govt.nz. Or you can make a submission online or by using the form in this publication. Alternatively send a letter or email to:

- draft long-term plan, Wellington City Council, PO Box 2199, Wellington
- longtermplan@wcc.govt.nz

You also have the opportunity to present your submission in person to a subcommittee of councillors. We need to hear your views before 5pm on 18 May.