

CO2 – Memorandum of Understanding with Southern Tablelands Arts

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249738

TRIM 1931-5

EXECUTIVE SUMMARY

- The purpose of this report is to provide recommendation for the endorsement of a Memorandum of Understanding with Southern Tablelands Arts Inc. for the period 1 November 2017 to 31 December 2020.
- It is recommended that Council endorse the Memorandum of Understanding for the period 1 November 2017 to 31 December 2020 and agree to the proposed financial contribution of 0.60 cents per head of population with an annual increase linked to the rate pegging applied to Council multiplied by per head of population.

REPORT

SOUTHERN TABLELANDS ARTS

Southern Tablelands Arts (STA) has been operating for 21 years across a region that now comprises seven (7) Local Government Areas (LGAs) including Wollondilly, Goulburn Mulwaree, Hilltops, Upper Lachlan, Queanbeyan Palerang, Wingecarribee and Yass Valley Councils.

The seven (7) member Councils contribute to and support Southern Tablelands Arts in recognition that the organisation is a catalyst and vehicle for the enhancement of regional arts and cultural development for the social and economic benefit of local communities.

The member Councils recognise that effective cultural development is achieved through strategic planning and management of cultural services, facilities and programs which contribute to the local identity, sense of place and quality of life.

Southern Tablelands Arts receives core funding support and commitment from the NSW State Government through Create NSW. The viability of Southern Tablelands Arts and its aims and objectives are contingent upon continuing support of this mix of contributions from Local and State governments.

There are 14 (fourteen) Regional Arts Development Organisations (RADOs) in NSW, each providing strategic direction for sustainable arts and cultural development in their region. Arts NSW contribute almost \$2 million annually to support the RADO Network.

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RADOs include representatives from local government, tourism, education, arts councils, other community arts organisations and community members. Each employs an Executive Director and, in most instances, other staff who co-ordinate a cultural development program across the contributing local government areas in their region.

Create NSW recognises the key role played by the RADO Network in delivering strategic support for arts and cultural development activities across regional NSW.

Create NSW (then Arts NSW) undertook a review of Regional Arts Development organisations in 2014-15. As a result of the review a number of actions were identified. These include:

- That the Regional Arts Development Officer position title be renamed Executive Director
- That the regional organisations will be renamed as Regional Arts Development Organisation (RADO)
- That it is recommended that each RADO enter into a Memorandum of Understanding (MOU) with each contributing Council.

CURRENT PARTNERSHIP

Wollondilly Shire Council has been a partner and financial contributor of STA since formalising a partnership in 1996.

Southern Tablelands Arts is managed by a skills based Board and engages two (2) representatives from Wollondilly Shire Council including Cr Michael Banasik as Council Delegate and Rob Moran Team Leader Community Projects and Events as a General Board Member.

STA currently provides a high level of service to Wollondilly Shire Council with the following examples of creative and cultural partnerships over the 2016/17 Financial Year:

- IlluminARTE
- Wollondilly Creative Spirits
- Bee Aware
- Neural Knitting
- Love Food Hate Waste
- Lantern Workshops
- WAG Curator Workshops
- Country Artist Support Program
- Brainwave.

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Council has recently identified the importance of Art / Cultural Development and its relationship to Tourism/Economic Development and has committed to developing a Public Art Strategy for the Shire in 2017/18. STA have agreed to support the research and development of the strategy. The Public Art Strategy aligns with the CSP objectives and will inform the Tourism Strategy, Action Plan and will contribute to an Events and Festivals Marketing Plan.

PROPOSED MEMORANDUM OF UNDERSTANDING

The proposed Memorandum of Understanding (MOU) will commence on 1 November 2017 and operate initially on a three (3) year term to 31 December 2020 then move to a four (4) year term in line with Local Government Elections.

The purpose of the MOU will:

- Clarify expectations, roles and accountabilities for Southern Tablelands Arts and Wollondilly Shire Council
- Define the scope and standards of services to be provided
- Define the basis of funding contributions
- Support improved management and service performance.

By clarifying the roles, accountabilities and supporting improved management and service performance, the MOU will help to:

- Enhance existing arts and cultural services and activities within the Wollondilly LGA
- Identify and assist the development of new and existing arts and cultural programs and activities in Wollondilly
- Integrate cultural considerations as an integral part of the management and development of the Wollondilly Region's social, arts, cultural, natural, built and economic environments
- Foster an informed, literate and skilled community as the basis of an involved, productive and creative community
- Establish partnerships for arts and cultural development with Wollondilly Shire Council, community, other local and regional organisations, government agencies and the private sector
- Conserve and enhance the Wollondilly Region's cultural heritage in its built and natural physical and social manifestations
- Demonstrate the current and potential economic benefits of cultural development to the region's economy.

CONSULTATION

Consultation has occurred in each Local Government Area with the STA Executive Director and through meetings with the General Manager of each Council.

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FINANCIAL IMPLICATIONS

Wollondilly Shire Council currently contributes 0.08cents per head of population per annum to STA towards their operational costs. Of the seven (7) Councils that financially support STA, Wollondilly contributes the least amount.

The draft MOU proposes that Wollondilly's future financial contributions increase to 0.60 cents per head of population and will therefore see the current contribution rise from \$4,163 to \$29,465 per annum (an increase of more than 700%).

As Council's population increases, so too will the amount Council is required to contribute. The MOU also proposes that the contributions will be subject to annual increases linked to the rate pegging percentage i.e. the proposed annual increase will be determined by multiplying head of population with statistical data obtained through Council's ID Profile statistics and the rate pegging percentage as the index mechanism.

For example: If the population this year is 50,000 and the contribution rate is 0.60 cents per head, the contribution amount will be \$30,000 in the first year. If the population then increases by 2% to 51,000 next year and IPART announce a rate peg increase of say 2%, then the annual contribution in year 2 will increase to \$31,212 (ie: a 4.04% increase).

This matter will have a material financial impact on Council's current 2017/18 budget (a pro-rata payment of approximately \$20,000 would be required for the remainder of the financial year) which will require the adoption of a budget variation in the upcoming September Quarterly Budget Review. Council's forward estimates will also need to be adjusted to accommodate the additional contribution amounts on an annual basis.

Note that Council is expected to experience significant growth over coming years which will therefore result in potentially significant increases in annual contribution amounts under the proposed model. Because the MOU is only for the period up to 31 December 2020, Council will monitor the degree of these increases over the next three (3) years or so. Council will then need to consider whether it is financially prudent to enter into a similar MOU for 2021 onwards.

In addition to the abovementioned financial contribution towards operational costs, it should be noted that Council also financially contributes to various STA projects in the form of grants, sponsorships, etc. (generally around a few thousand dollars each year).

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ATTACHMENTS INCLUDED IN A SEPARATE BOOKLET

1. Draft Memorandum of Understanding
2. STA Annual Report 2016/17

RECOMMENDATION

That Council endorse the Memorandum of Understanding for the period 1 November 2017 to 31 December 2020 and agree to the proposed financial contribution of 0.60 cents per head of population with an annual increase linked to the rate pegging applied to Council multiplied by per head of population.