



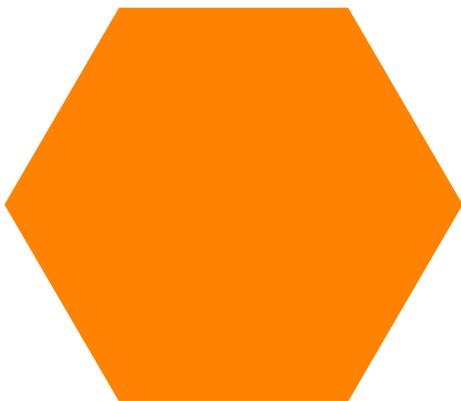
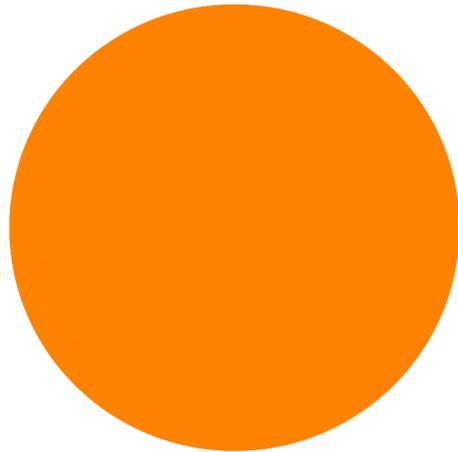
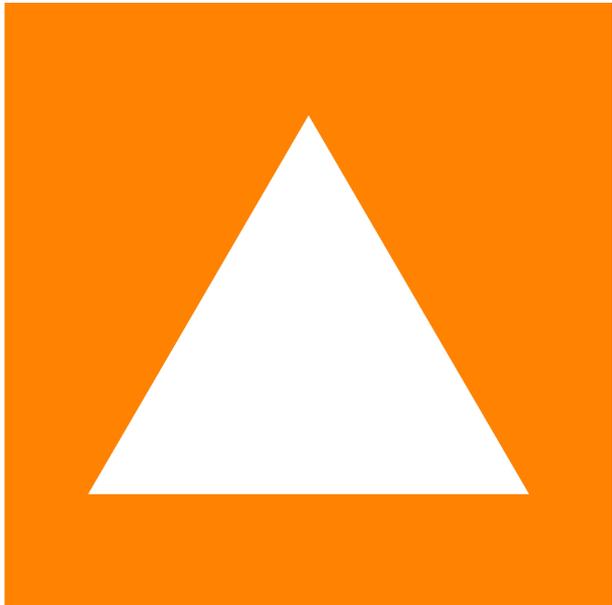
ACT
Government

**CITY
RENEWAL
AUTHORITY**

City Centre Marketing and Improvements Levy

Performance and accountability framework

20 July 2018



Contents

- Performance and Accountability Framework** **3**
- Context** **3**
- The Framework** **3**
- Element 1 – Levy vision** **4**
- Element 2 – Levy objectives** **4**
- Levy objectives** **5**
- Levy funded activities should:** **5**
- Element 3 – Levy priorities** **5**
- Guiding principles** **6**
- Element 4 – Delivery of the Levy** **7**
- Element 5 – Reporting and evaluation** **8**

Performance and Accountability Framework

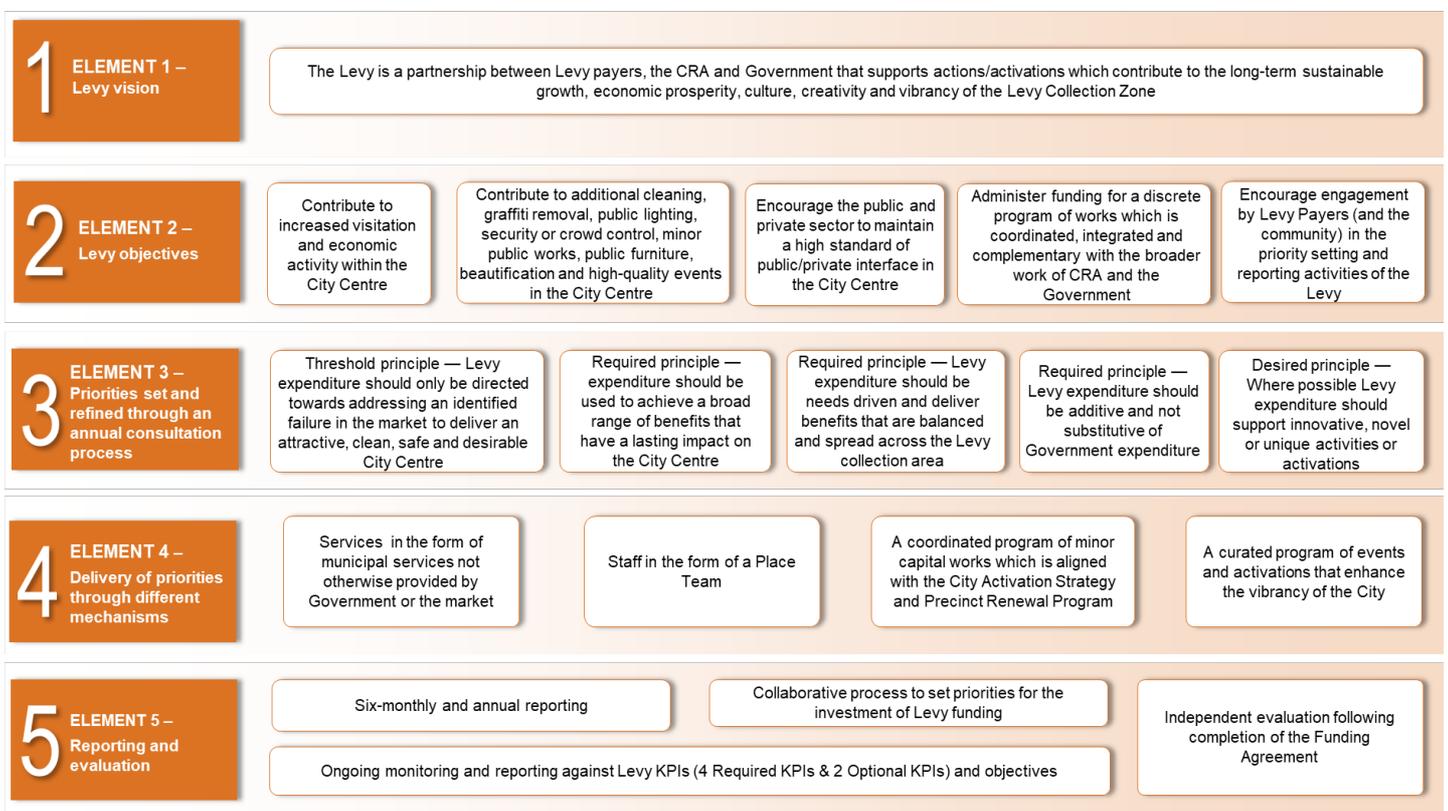
Context

The City Centre Marketing and Improvements Levy (the Levy) was enacted on 1 July 2007 under Territory legislation. It was initially proposed and managed by local businesses with the view to establishing Canberra City as a Business Improvement District (BID) along the lines of similar international initiatives in the UK, USA, Canada and elsewhere.

Today, the City Renewal Authority (CRA) manages Levy expenditure. The Levy is collected as a hypothecated tax with the proceeds (minus an ACT Government administrative charge of \$25,000 per annum) then paid under agreement to the CRA to deliver services and programs that increase activity and vibrancy within the Levy area. The total Levy collected during 2017-18 was \$1,938,099.

The Framework

The Framework was developed through a combination of desktop research, consultation with key stakeholders and careful analysis. An overview of the Framework is provided in the figure below. Additional details about each Framework element are in the sections which follow.



Element 1 – Levy vision

The Levy was originally established at the behest of commercial property owners to deliver activities which enhanced the business and community sectors of the City while complementing government services. It was established as a partnership between commercial property owners and the ACT Government. This fundamental view still applies and should, in part, underpin the Levy vision.

However, it is important that the Levy vision is aligned with the ACT Government's vision for Canberra, as well as the CRA's vision for the City Centre. The following vision statement for the Levy has been developed based on the feedback gained through consultations with Levy stakeholders and research. This statement emphasises the partnership dimensions of the Levy and the need for it to contribute to the economic, social and cultural wellbeing of the City.

Levy vision: The Levy is a partnership between Levy payers, the CRA and Government that supports actions/activations which contribute to the long-term sustainable growth, economic prosperity, culture, creativity and vibrancy of the Levy Collection Zone.

Element 2 – Levy objectives

Traditionally, BID's are mechanisms that successfully bring local businesses and other stakeholders together with the aim of improving their trading environment and enhancing economic development (and profitability). The ACT Government is supporting the continuation of the Levy as a key component of its commitment to encourage economic development of the City and to complement the delivery of the CRA's broader remit.

The ACT Government has entered into a formal agreement with the CRA which sets out the terms and conditions under which Levy funds are paid to the CRA including specification of allowable expenditure. The Levy objectives are aligned with the funding agreement and will be affirmed following further consultation with Levy payers and Government.

Levy objectives

Levy funded activities should:

The Levy objectives were updated in July 2018, to reflect feedback received from key stakeholders.

1. Contribute to increased visitation and economic activity within the City Centre
2. Contribute to additional cleaning, graffiti removal, public lighting, security or crowd control, minor public works, street furniture, beautification and high-quality events in the City Centre
3. Encourage the public and private sector to maintain a high standard of public/private interface in the City Centre
4. Administer funding for a discrete program of works which is coordinated, integrated and complementary with the broader work of CRA and the Government
5. Encourage engagement by Levy Payers (and the community) in the priority setting and reporting activities of the Levy.

Element 3 – Levy priorities

Priority setting focuses on the 'appropriate' forms of intervention to address perceived failures of the market or government to deliver a City Centre that is attractive, vibrant and a desirable place to visit. Levy-funded activities are designed to address problems/needs that would not otherwise be addressed by individual Levy payers, the broader market or government. Best practice dictates that the Framework should be informed by key principles. A principles-based approach to priority setting provides an effective way of raising the minimum standard of decision making and encouraging stakeholders to continually improve actions in relation to the Framework.

To this end, the Framework's principles guide determination of Levy priorities and, in turn, the activities/activations funded by Levy payers.

Guiding principles

- a. Threshold principle—Levy expenditure should only be directed towards addressing an identified failure in the market to deliver an attractive, clean, safe and desirable City Centre.
- b. Required principle—expenditure should be used to achieve a broad range of benefits that have a lasting impact on the City Centre.
- c. Required principle—Levy expenditure should be needs driven and deliver benefits that are balanced and spread across the Levy collection area.
- d. Required principle—Levy expenditure should be additive and not substitutive of Government expenditure.
- e. Desired principle—Where possible Levy expenditure should support innovative, novel or unique activities or activations.

The CRA determine priorities in consultation with the Levy payers. The priority setting process will:

- effectively engage with Levy payers and broader stakeholders
- be based on a needs analysis which is evidence-based, and addresses agreed Levy objectives
- incorporate mechanisms to enable priorities to be reviewed and reset
- incorporate appropriate benchmarking to ensure the identified priorities/actions represent best practice and approaches used by cities comparable to Canberra.

Consultation with Levy payers is a critical component of the priority setting process. The consultation process needs to encompass the following ideals and address any disconnects:

- effective consultation is vital to building and maintaining Levy payer confidence
- should focus on interested Levy payers who can and want to contribute
- should occur at different levels
- the capacity to genuinely influence directions, priorities and decision makers
- set directions and parameters (i.e. not after the effect or to approve/rubber stamp)
- annual consultation around priority setting is sufficient
- needs to be structured and managed to avoid being over-responsive to the 'squeaky wheel'
- needs a discussion starter i.e. outline of the annual plan
- must be supported by regular outcomes/achievement reporting.

The initial consultation model will encourage broad participation in the priority setting process, so as to avoid (as far as possible) capture of the process by narrow interests. Levy payers will be invited to participate in an annual priority setting workshop where the views of Levy payers can be canvassed against the framework principles and ideas for projects/activations can be identified. To support this process, CRA will invest additional resources in a communications database to ensure it can effectively identify who pays the Levy and invite them to a workshop.

Element 4 – Delivery of the Levy

Priorities determine how the Levy is spent. They also inform the choice of mechanisms to be used. The stakeholders consulted for this framework felt that Levy funding should be distributed through a number of mechanisms, which is consistent with practice in other BIDs. These mechanisms included:

- contracts for services—for both service delivery (i.e. cleaning) and procurement of goods (i.e. advertising/promotion/management of events etc)
- specific staff engagements or outsourcing (i.e. a place manager)
- direct funding of capital works
- events, partnerships and grants for promotional or activation projects.
- Co-investment and leverage models should be a prerequisite for all supported actions, with the exception of some services (such as arts activities) and staff.

Delivery of the Levy: Levy expenditure should focus on delivering the following programs, ranked in priority order:

1. Enhanced municipal services that are complementary and additional to Government provision; address a clear a market failure; and deliver benefits to multiple beneficiaries.
2. A CRA 'Place Manager' for the Levy area.
3. A rolling five-year plan of strategic capital works directly linked to broader Government/CRA works programs
4. A limited grants program meeting a cash leverage/co-contribution and reasonableness test.

Element 5 – Reporting and evaluation

The CRA's requirements to report on Levy performance (in effect the accountability consideration) have two audiences: an internal audience; and external audiences. The CRA has responsibilities under the Funding Agreement and its own legislation/corporate governance arrangements to report on its use of expenditure). The Funding Agreement puts in place key reporting and evaluation requirements. The CRA also has responsibilities to external audiences (in particular, Levy payers, but also building lessees and the broader community) to demonstrate how Levy monies are spent and the outcomes being achieved from expenditure.

The CRA will report regularly (six monthly) highlighting the break-down of Levy funding, the details of the projects or activations commenced during the period, a high-level status report on major activations/projects funded, and any other high-level commentary about project risks and opportunities that are noteworthy to acquit these responsibilities. Reports will be published on the CRA website and emailed to those Levy payers known to the CRA.

The CRA is required to produce an annual report for Government. The annual report will aggregate the information in the regular reports to Levy payers and will be used to meet the accountability needs of both audiences (i.e. made available publicly and provided to Levy payers). The annual report will include analysis against the Levy's key performance indicators (KPIs) to provide stakeholders with an accurate picture of how Levy expenditure is performing against stakeholder expectations and the Levy objectives (see below). The annual report would also be an opportunity to identify strategic opportunities for the Levy and any changes to the way funding could be distributed in the future.

A more substantial independent evaluation of the Levy's outcomes and impacts will occur at the conclusion of the Funding Agreement in 2019.

Three categories of KPIs have been identified following stakeholder consultations and analysis of other BIDs.

1. KPIs which focus on operational considerations to consider whether discrete projects or services funded by the Levy are 'on time' and 'on budget'.
2. KPIs which focus on metrics which assess whether Levy payers are satisfied with Levy processes and outcomes including questions relating to efficiency, effectiveness, appropriateness and overall value for money.
3. KPIs which demonstrate Levy impact, and which measure economic dimensions by examining the changes in the number of visitors to the City Centre and changes to their spending patterns while at events.

Category	KPIs	Rationale	Data source	Frequency of data collection and/or reporting
1 (Required)	% of services or projects funded by the Levy delivered on time increases over time (the target is above 90%)	To provide assurance that services and projects are being efficiently and effectively delivered	CRA financial and grant management system	Regularly, every six-months
	% of services or projects funded by the Levy delivered within budget increases over time (the target is above 90%)			
2 (Required)	Levy payer satisfaction with consultation and engagement model increases over time (the target is above 75% satisfaction)	To understand Levy payer satisfaction with priorities, funded services or projects, consultation reporting	Survey of Levy payers	Annual survey and reporting
	Levy payer satisfaction with funded services and projects increases over time (the target is above 75% satisfaction)			
3 (Optional)	Visitor numbers increase for key events over time	To measure increases in City Centre visitation	Event managers, with some verification of numbers	As events occur
	Increased spending by visitors at key events is experienced by Levy payers and/or retailers	To increase the financial benefit of activations	Stakeholder survey	Immediately following key events