

**QLDC Council**  
**18 March 2021**

**Report for Agenda Item | Rīpoata moto e Rāraki take : 9**

**Department: Corporate Services**

**Title | Taitara Council Interim Support for Film/Television Production Industry**

**PURPOSE OF THE REPORT | TE TAKE MŌ TE PŪRONGO**

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The purpose of this report is to propose an interim arrangement whereby the Council supports the film and television production industry by waiving or reducing some Council-related fees and charges.

**RECOMMENDATION | NGĀ TŪTOHUNGA**

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That Council:

1. **Note** the contents of this report and in particular the current economic climate and the express need to focus on diversification in the Queenstown Lakes District;
2. **Approve** the proposal to waive or reduce fees and charges for film and television productions on a discretionary basis (to be approved by the Economic Development Manager) for a term of 12 months, noting that the cost will continue to be on-charged where applicable in line with community charging;
3. **Agree** to delegate to the Chief Executive to review the arrangement at the conclusion of the 12 month term with the option to extend for another 12 month period.

Prepared by:



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Title: Film Office  
Co-ordinator

2/03/2021

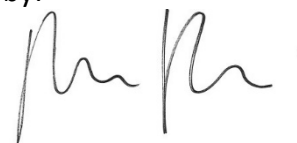
Reviewed  
Authorised by:



Name: Peter Harris  
Title: Economic  
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2/03/2021

and Reviewed and Authorised  
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Name: Meaghan Miller  
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**CONTEXT | HOROPAKI**

- 1 In the current economic climate with the express need to focus on diversification in the Queenstown Lakes District, the Mayor sought an indication from the Chief Executive as to whether the Council can lend encouragement and incentive to the film and television production industry through the consideration of waiving or reducing Council-related fees and charges for film and television productions. The application of the incentive would be on the basis of a recommendation from the QLDC Film Office to the Economic Development Manager.

**ANALYSIS AND ADVICE | TATĀRITANGA ME NGĀ TOHUTOHU**

- 2 The producers of a locally produced television programme met with the Mayor in early February to ask the Council to consider offsetting a portion of their Council-related fees to support the production filming in the district. This was the catalyst to consider a discretionary response for the wider industry.
- 3 Council-related fees that film and television productions may incur include film permit fees, road closure fees, booking of venues and parking fees. The proposal is that the QLDC Film Office recommends where appropriate that Council waive fees and charges where there is no direct cost to Council being incurred, and where there is a direct cost involved, a reduced fee offered where available (cost recoverable).
- 4 The approach will be considered on a case-by-case and discretionary basis by the QLDC Film Office, taking into account the scale of productions and their contribution to the local economy and community. The approach where applicable will be signed off by the Economic Development Manager.
- 5 The Film Office has consulted widely within the organisation and the recommendation is supported by the various divisions. Suggested arrangements are as follows:

Type	Amount	Arrangement
<b>Film Permit Fees</b>	\$500/day	No change to film permit fee. However, where the production is looking to pay two charges for both filming activity and setting up a unit base on a Council park/reserve, consider that only one of these charges apply.
<b>Road Closure Applications</b>	\$500/application	No change to road closure application fee.
<b>Temporary Parking Permits</b>	\$25/vehicle/day	Three temporary parking permits per day offered free of charge for essential production vehicles to park near location.
<b>Car Park Blocks</b>	Varies	A flat rate determined dependent on the location of the car park, number of spaces required and duration of block.
<b>Venue Hire</b>	Varies	Reduced rate offered where applicable (in line with community charging) - difference in cost on-charged from Film Support budget.

6 This arrangement is not recommended to be a permanent solution but a proactive response to the current COVID-19 climate and impacts. The intention is that this proposal would be for the term of 12 months only with a review date at that point and discretion for the CE to extend the period for a further 12 months if deemed appropriate.

7 Option 1 Approve the recommendation to support the film and television production industry through the consideration of waiving or reducing Council-related fees and charges.

*Advantages:*

8 Council will be supporting the film and television industry and thereby encouraging economic diversification in the district.

*Disadvantages:*

9 Council's revenue in the areas of temporary parking permits, car park fees and venue hires will marginally reduce.

10 Option 2 Reject the recommendation to support the film and television production industry through the consideration of waiving or reducing Council-related fees and charges.

*Advantages:*

11 Revenue in the areas of temporary parking permits, car park fees and venue hires will not be marginally impacted.

*Disadvantages:*

12 No financial incentive will be provided to an industry that is important to the economic diversification of the district.

13 This report recommends **Option one** for addressing the matter because it will help to support the film and television production industry, which is an important part of the Council's efforts to encourage economic diversification.

## **CONSULTATION PROCESS | HĀTEPE MATAPAKI:**

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### **> SIGNIFICANCE AND ENGAGEMENT | TE WHAKAMAHI I KĀ WHAKAARO HIRAKA**

14 This matter is of low significance, as determined by reference to the Council's Significance and Engagement Policy because although economic recovery is important for the whole district, this decision will impact relatively few and it therefore has relatively low community interest. It will not impact the Council's capability and capacity and is consistent with the economic development policy.

15 The persons who are affected by or interested in this matter are the residents/ratepayers of the Queenstown Lakes district community, some of whom will be employed in the

television and film industry, and members of the television and film production industry outside the district.

16 The Council has not undertaken any public consultation on this proposal.

#### > MĀORI CONSULTATION | IWI RŪNANGA

17 The Council has not undertaken specific iwi consultation on this proposal.

#### RISK AND MITIGATIONS | NGĀ RARU TŪPONO ME NGĀ WHAKAMAURUTANGA

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18 This matter relates to the financial risk category. It is associated with Risk 000200 “Unexpected change in costs” within the QLDC Risk Register. This risk has been assessed as having a moderate inherent risk rating.

19 The approval of the recommended option will support the Council implementing additional controls for this risk. This shall be achieved because support will be assessed a case-by-case and discretionary basis by the QLDC Film Office, taking into account the scale of productions and their contribution to the local economy and community and where applicable will be signed off by the Economic Development Manager

#### FINANCIAL IMPLICATIONS | NGĀ RITENGA Ā-PŪTEA

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20 In the last three years, there have been an average of 2.33 productions of scale/significant impact per year in the district (using the criteria of filming for more than 10 days in the district with a crew of more than 20 people). The scale of Council charges these productions incur depends on the volume of filming taking place on Council land/property, the use of Council assets (e.g. carparks) and road closure requirements.

21 Of the last three years’ large productions, the one that has required the most Council related use of assets and approvals has been used to estimate the financial impact on Council. Based on the recommendation outlined in this report, this production would receive an estimated discount of \$8500 (approx. 30%) on their probable Council charges. If 2.33 productions are eligible per annum (and they required a similar large amount of Council asset access/approvals) this would equate to \$19,800 per annum.

22 Film-related income from Council charges is not budgeted for separately by Council departments as it is so sporadic. Where a discount or waiver may result in loss of revenue for a department, such as cleaning or maintenance of hired venues, cost will continue to be on-charged, in line with community charging. Other than staff time and a potential opportunity cost (e.g. if a venue could have been hired out at full price) there is no direct financial impact on rates from this proposal.

23 Total revenue and discounts per film production will be recorded during this period for consideration at the twelve-month mark with the cumulative discount/revenue monitored by the Economic Development Manager.

## COUNCIL EFFECTS AND VIEWS | NGĀ WHAKAAWEAWE ME NGĀ TIROHANGA A TE KAUNIHERA

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24 The following Council policies, strategies and bylaws were considered:

- Economic Development Strategy
- Community Facility Funding Policy

25 The recommended option is consistent with the principles set out in the named policy/policies.

26 This matter is not included in the Ten Year Plan/Annual Plan as the overall impact is minimal.

## LOCAL GOVERNMENT ACT 2002 PURPOSE PROVISIONS | TE WHAKATURETURE 2002 O TE KĀWANATAKA Ā-KĀIKA

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27 The recommended option:

- Will help meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses by [explain how it will help];
- Can be implemented through current funding under the Ten Year Plan and Annual Plan;
- Is consistent with the Council's plans and policies; and
- Would not alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the Council, or transfer the ownership or control of a strategic asset to or from the Council.