



lismore business bulletin

> Permanent Special Rate Variation to place the promotion of the Lismore business sector on a secure footing

The Proposal

That Lismore City Council apply to the NSW Independent Pricing & Regulatory Tribunal for a permanent Business Special Rate Variation at a rate pegged level of \$120,000 per annum, commencing on July 1, 2018.

Introduction

The Lismore Business Panel made this recommendation to Council in June 2017. The permanent Business Special Rate Variation (SRV) proposed would replace the current 5 Year Additional Special Business Rate Variation Levy (SBRVL) which expires automatically on June 30, 2018.

The effect of this automatic expiry is that the funding to promote business in Lismore will revert to pre-2010 levels on July 1 next year. The Lismore Business Panel's view is that this won't provide enough funding to promote the flood-affected CBD and other business districts as the city faces considerable challenges after the 31 March 2017 natural disaster.

Lismore City Council has accepted the Panel's recommendation that a new Business SRV is required to fund the Lismore Business Promotion Program's activities at a level which will enable renewed business marketing and promotion to meet the challenge of attracting consumers back to the city and helping stimulate future economic growth in the only inland regional city on the Far North Coast of NSW.

The proposed new permanent Business SRV would commence on July 1, 2018.

The purpose of this Bulletin is to inform members of the Lismore business community about all aspects of the proposed Business SRV and invite them to engage in the consultation process which has now commenced. Feedback from the business community will help guide Council's eventual decision to proceed or otherwise with an application to IPART.

july 2017

lismore
business promotion program



Achievements to date

The Lismore Business Promotion Program has achieved considerable success. Outcomes so far include:

- Winning the Mainstreet Australia 2016 Innovation and Best Practice award for national projects and programs focussed on city centre revitalisation.
- Extensive use of the popular 'Lismore-come to the heart' brand.
- Eat the Street food festival – a major signature event in Lismore attracting more than 20,000 people to the CBD each year.
- Assistance for local festivals, events and activities such as the Masters Games and the Lantern Parade.
- Use of themed 'come to the heart' television commercials to promote major shopping events such as the annual Stocktake Sale and Christmas Bonanza.
- Ongoing management of the 'Lismore - come to the heart' website, which has seen a 145% increase in business listings on its directory and 136,000 visits in 2016.

Other achievements include:

- The use of Facebook and other social media to broaden the appeal of Lismore.
- Collaborating with major cultural initiatives such as the Back Alley Gallery and the new Lismore Regional Gallery to ensure maximum returns to the business sector.
- Working closely with the Lismore Chamber of Commerce and Industry to offer marketing skills and business education programs to local retailers

What would the new SRV funding be used for?

- The rollout of WiFi in the CBD on a commercial footing and increased TV advertising.
- New events such as a Youth Music Festival, a major annual event called 'Winter Nights, City Lights', a family-oriented New Year's Eve concert, film and comedy festivals and an Australia Day extravaganza.
- Implementation of a new CBD Retail Strategy by place making specialists 'Village Well'.
- Increased support for major sporting events.

- Completion of the CBD fairy lights, creation of 'parklets' and activation of the network of laneways bisecting the inner city centre.

It should be noted that in the wake of the 31 March natural disaster Council has applied for additional funding to various NSW Government agencies for advertising and marketing plus new major events. There is no guarantee that this funding will eventuate: even if it does, it will not alter the need for the proposed permanent Business SRV.

Details of the funding applied for and a comprehensive summary of the effects of the 31 March event can be found in a report entitled 'Counting the cost and facing the future' at lismore.nsw.gov.au/business&industry/LismoreBusinessPanel



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Lismore Business
Promotion Program
Business Plan
2016-2018

lismore

The program has been in existence since 2009 and has performed consistently well since its inception.

The Lismore Business Promotion Program

The program's objectives

The Lismore Business Promotion Program's primary objective is to expand the Lismore City Centre revitalisation process and enable businesses in the CBD and Lismore Urban areas to benefit from its marketing, events, place making and business assistance activities.

The Business Panel

The 11-person Lismore Business Panel is appointed by Council for a four year period. The Panel provides guidance for the Lismore City Centre Manager, gives direction regarding successive business plans, makes recommendations to Council and is responsible for Program governance and budget oversight.

Business Plans

All of the projects and activities that underpin the Lismore Business Promotion Program are included in a detailed Business Plan, which has to be endorsed by the Lismore Business Panel and then approved by Council.

The current 2-year Business Plan ends in mid-2018. A new Business Plan will be produced in late 2017 in time for it to be approved before any potential application is made to IPART in February 2018.

The new Business Plan will be focused on the economic recovery of the CBD and city as a whole. It will dovetail with the activities of Council's tourism, major events and economic development departments.

How do we rate?

The Lismore Business Promotion Program and its components have been the subject of two independent reviews, in 2012 and 2016 respectively. Common findings from both reviews show that overall the Program has been achieving the objectives and fulfilling the vision contained within successive Business Plans.

Both reviews found that the Lismore Business Panel is cohesive, motivated and works well together.

It is worth noting that shoppers and visitors to the city have been consistent in their awareness and approval of CBD events, promotions and place making efforts and equally consistent in asking for extended trading hours.

Detailed outcomes from both reviews can be found at **lismore.**

**[nsw.gov.au/business&industry/
LismoreBusinessPanel](http://nsw.gov.au/business&industry/LismoreBusinessPanel)**



- > In most, but not all instances, the cost of the SBRVL is passed on to businesses which lease or rent the rated Business Properties.

SRV funding history

Business promotion in Lismore is currently funded by a combination of the normal Business Rate plus a 5 Year Additional Special Business Rate Variation Levy (SBRVL). These two rates fund the ongoing city centre revitalisation scheme and Lismore-wide marketing activities of the Lismore Business Promotion Program, now in its ninth year of operations.

The SBRVL has been in existence in three versions for a total of 18 years and is paid for by 236 Business Property Owners in the defined city centre area (called Business-Inner CBD) and 864 Business Property Owners in other parts of the city (called Business-Urban). In most, but not all instances, the cost of the SBRVL is passed on to businesses which lease or rent the rated Business Properties; the exceptions are owner-occupied business premises.

The original SBRVL operated from 1998 to 2009. The first Additional SBRVL, which generated an additional \$100,000 a year, was in place from 2010 to 2013. As a result of annual rate pegging, the figure was \$106,500 at the third financial year.

Based on unequivocal support from the Lismore business community, Council made a successful application in early 2013 to IPART to extend the Additional SBRVL for a five year period at an annual and rate-pegged rate amount of \$106,500, from 2013 to 2018.

How was the \$120,000 figure determined for the new SRV?

In the first year of the current 5 Year Additional SBRVL (2013/14) the annual amount raised was \$106,500. As a result of rate pegging, in this final 2017/18 financial year the Additional SBRVL will generate \$115,277. This figure was the reason that the amount nominated for the first year of the new Business SRV was set at \$120,000. This is not a major increase, but is seen as more like 'business as usual'.



What are the financial ramifications?

The two tables below show the effect of the expiring existing SRV and the proposed permanent SRV on Lismore business rates. It should

be noted that the expiring existing SRV and proposed permanent SRV percentages equate to Council's total income from ALL rating categories. Although the information in the tables may seem complex at first

glance, careful examination will show the future effects of the two options and enable Business Rate Payers to calculate their individual annual costs using the percentage annual increases as a guide.

1. EXPIRING (EXISTING) SRV

Rating category	2017/18	2018/19	2019/20	2020/21	2021/22
Average Business-Urban rates under an assumed 2.5% rate peg with a 0.42% EXPIRING SRV	\$4,366	\$4,387	\$4,497	\$4,609	\$4,724
Annual increase (%)		0.48%	2.5%	2.5%	2.5%
Average Business-Inner CBD rates under an assumed 2.5% rate peg with a 0.42% EXPIRING SRV	\$8,185	\$8,223	\$8,429	\$8,640	\$8,856
Annual increase(%)		0.48%	2.5%	2.5%	2.5%

2. PROPOSED PERMANENT SRV

Rating category	2017/18	2018/19	2019/20	2020/21	2021/22
Average Business-Urban rates with a 0.42% EXPIRING SRV and a 0.41% per annum PERMANENT SRV commencing in 2018/19	\$4,366	\$4,479	\$4,591	\$4,706	\$4,824
Annual increase (%)		2.59%	2.5%	2.5%	2.5%
Cumulative impact of the PERMANENT SRV above 2017/18 levels after the expiry (but excluding the rate peg)		\$192			4.48%
Average Business-Inner CBD rates with a 0.42% EXPIRING SRV and a 0.41% per annum PERMANENT SRV commencing in 2018/19	\$8,185	\$8,396	\$8,606	\$8,821	\$9,042
Annual increase(%)		2.59%	2.5%	2.5%	2.5%
Cumulative impact of the PERMANENT SRV above 2017/18 levels after the expiry (but excluding the rate peg)		\$368			4.58%



Other charges

It should be noted that there are other future costs applicable to businesses and therefore relevant to this proposed SRV. Please be aware that:

- The 2018/19 charges for Waste, Water and Wastewater have not yet been determined; however they are expected to increase by at least CPI or Rate Pegging.
- A \$3 million Special Rate Variation applicable for all Lismore ratepayers is proposed for commencement in 2019/20 that will go directly toward road maintenance and start addressing Council's significant infrastructure backlog.

What happens next?

Council has requested that the Lismore business community now be widely consulted in order to gauge the level of support for the proposed permanent Business SRV. This is a condition of the IPART application process, and Council has to match clear guidelines in carrying out the consultation.

The consultation process

All Business Property Owners in the Business-Inner CBD and Business-Urban rating zones are being sent this bulletin either by post or e-mail, and the consultation process will be publicised by Council in its 'Local Matters' fortnightly newsletter and in the media. Council's website will host an on-line survey for businesses, and the Lismore Chamber of Commerce and Industry will be consulted and kept informed. In addition, individual property owners and business representatives may be randomly selected and invited to take part in a breakfast workshop to consider the proposed Business SRV, to be held in early August, 2017.

Business consultation workshop

Workshop participants will be a wholly representative sampling of the Lismore Business Community and will be a mix of:

- Business Property Owners who currently pay the Additional SBRVL, including a number of Business Owners/Managers who operate from their own SBRVL-rated properties; and
- Business Owners/Managers who, through their leases, currently contribute to the Additional SBRVL.

These groups will be from both the Business-Inner CBD and Business-Urban rating categories and will be randomly selected from the databases available to Council.

Timeframe

After the results of the August workshop and submissions from business community members are collated, a report will be provided to Lismore City Council in September, 2017. Based on the outcomes of the extensive consultation process, a recommendation to proceed (or otherwise) with an application to IPART will be included in Council's December meeting. If approved, the application to IPART will be lodged in February 2018.

Your input is valued

To comment on the proposed new SRV please email council@lismore.nsw.gov.au and ensure that you head your submission 'New Business SRV'. To participate in the online survey please visit

**[lismore.nsw.gov.au/
business&industry/
LismoreBusinessPanel](http://lismore.nsw.gov.au/business&industry/LismoreBusinessPanel)**