

Special Event Levy (SRV) New Events

Application for Special Rate Variation 2019/20

Community Engagement Report

- APPENDIX -

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Prepared for: Tamworth Regional Council

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Introduction

The Tamworth Region has a strong reputation for hosting outstanding events and is home to a large range of high quality event facilities. In order to remain relevant and competitive in the market of events Tamworth Regional Council (Council) has explored ways to attract, host and retain new events into the future. As a result of extensive research, Council is proposing a Special Rate Variation to be implemented over a 3 year period with a cumulative increase of approximately 3% per year. The proposed special rate variation would be applied equitably across all business rated properties.

Extensive community consultations were conducted across the local government area (LGA) over a period of 6 weeks that provided potentially impacted businesses and community members the opportunity to be informed of the identified need, impact and process of the projected special rate variation.

Objectives

The objectives of the engagement activity were to:

- Demonstrate the impact and need for a special rate variation to attract, host and retain new events;
- Increase community awareness of the economic benefit that new conferences and events could bring our Region;
- Showcase our Event Attraction Strategy and Event Impact Assessment Model;
- Tap into local knowledge and expertise on how revenue generated from the proposed Levy could be spent;
- Build on our current visions and aspirations from recent consultation;
- Determine community priorities for new events and economic development initiatives;
- Comprehensively involve our ratepayers in the decision making process, and
- Ensure compliance of IPART requirements for applying for a levy.

Alignment with Community Strategic Plan

Theme	Spirit of Community
Objective	C2 - Promote our region's heritage, character and culture
Strategy	C2.1 Preserve and celebrate the character, heritage and culture of our city, towns and villages
Measure of success	Support the delivery of community events

Theme	A Prosperous Region
Objective	P1 - A strong and diverse economic base
Strategy	P1.1 Support and facilitate economic development and employment opportunities
Measure of success	

Theme	A Prosperous Region
Objective	P2 - Promote region as a great place to visit a great place to live
Strategy	P2.1 Market the Tamworth Region as a destination for living, working and leisure
Measure of success	Increased visitation numbers Growth and expansion of the events calendar and tourism products

Theme	A Prosperous Region
Objective	L1 – Our community feel well informed, heard, valued and involved in the future of the Region
Strategy	L1.3 Provide inclusive opportunities for the community to get actively involved in decision-making
Measure of success	Facilitate community consultation in line with Community Engagement Charter

Theme	A Prosperous Region
Objective	L2 - Our region is well led and managed
Strategy	L2.2 To be a leader in best practice for local government
Measure of success	Benchmark to best practice Industry recognition as a Council that “gets thing done” Innovation strategies

Alignment to Delivery Program and Annual Operational Plan

OBJECTIVE	P1 A strong and diverse economic base					
STRATEGY	P11 Support and facilitate economic development and employment opportunities					
PARTNERS	Local Business Chamber's, NSW Business Chamber, RDA, RAI, State Government, Commonwealth Government, DestinationNSW, Golden Guitar Tourist Centre, AVIC					
PROGRAM	P1101 Tamworth Regional Economic Development					
OWNER	John Sommerlad / Director Business and Community					
ACTION	Our promise	How we will measure	QTR 1	QTR 2	QTR 3	QTR 4
P1101.01	To implement actions and report on Council's Regional Economic Development Strategy "Tamworth Tomorrow"	Complete review of Council's Regional Economic Development Strategy "Tamworth Tomorrow"				100%
P1101.02	To build relationships with local businesses and facilitate opportunities for growth	Business satisfaction with the services offered by Council. 2 surveys completed		1		1
P1101.03	To investigate a Special Rate Variation for the purpose of Event Management and Attraction	Develop a targeted event attraction strategy that identifies the specific types of events that Council wishes to attract to the region along with a framework for determining the level of funding assistance that will be provided				100%
		Undertake community consultation with regards to the potential implementation of a permanent Special Rate Variation for the purpose of Event Management and Attraction				100%
		Pursue the implementation of a permanent Special Rate Variation across all of the business rate categories to take effect from the 2019/2020, 2020/2021 and 2021/2022 financial years				100%

Informing the community

Information on Council's website

Extensive information was made available through a link to the MyTRC Community Engagement Portal on Council's website at www.tamworth.nsw.gov.au



Image : Web tile

Online Community Engagement Portal

The portal was the 'one stop shop' for interested ratepayers and stakeholders to source background information and studies, download documents, ask questions and to leave comments and opinions at <https://yourvoice.tamworth.nsw.gov.au/>

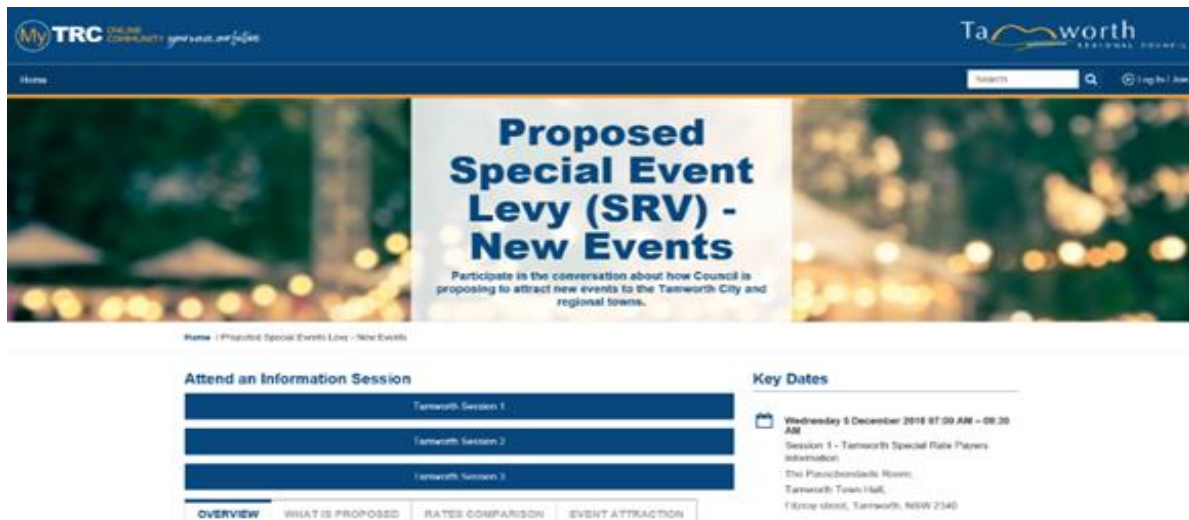


Image : Online Portal home page

A virtual calculator was accessible on the portal to clearly inform the ratepayer of the direct impact on their rates.

Ordinary Rate Increase Calculator
Proposed Event Levy on Business rates from 2019-20
 Please enter the details below for the Ordinary Rate shown on your 2018/19 Rate Notice.

Ordinary Business - Choose from list

Rateable Value: Enter amount

	Impact to your rates for the 3 year phase in period			SRV applied to total business rate income	
	Total Ordinary Rate	\$ increase including rate peg	\$ increase from SRV only	% Including rate peg	% from SRV only
FY 2018-19	160	-	-	-	-
FY 2019-20	160	-	-	5.7	3.0
FY 2020-21	160	-	-	5.5	3.0
FY 2021-22	160	-	-	5.5	3.0
Cumulative increase	-	-	-	17.65	9.75

This calculator shows how much your Ordinary rates will increase if council introduces the proposed Special Rate Variation for New Events. IPART have approved a 2.7% rate peg increase for 2019-20. Their SV guidelines advise Council's to use an estimate rate peg of 2.5% for future years if a phase in period is proposed. Council's proposal is to increase all business rates by 3.0% above the approved rate peg each year for the next 3 years. These increases will then remain permanently in the rate base to fund the Event Attraction Strategy.

Ordinary rates include a base amount (\$160) and an ad-valorem rate on land value. The proposed increases will only be applied to the ad-valorem rate. The % impact on your total rates may therefore differ from the SRV % applied to the total council business rate income.

This calculator does not include any other charges which may appear on your rate notice.

Please note that this is an estimate only of how the rate variation could affect your property.

Fact Sheets and frequently asked questions

A fact sheet was produced to provide residents with additional information on the application for the Special Rate Variation – Special Event Levy, the IPART application process, our Event Attraction Strategy, Event Impact Assessment Modelling tool and financial implications for the business community and wider ratepayers.

Where will the extra income be spent?

Revenue raised through the special rate variation will be used to attract and create NEW events, conferences and sporting opportunities for the Region.

A dedicated Event Attraction Strategy and an Event Impact Assessment Model has been developed to guide the process of making events to ensure a fair and equitable distribution of funds. A secondary assessment framework will measure marketing, seasonal and community impacts.

The focus on the Event Attraction Strategy is to consider:

- Off Peak and shoulder season events
- New events that complement the existing calendar of events around the region
- Attract interstate, interstate and international visitors
- Maximise the utilisation of venue infrastructure

Are there other options for raising the required revenue?

Council explored a number of opportunities to establish a permanent revenue stream for the ongoing management and attraction of major events in the Tamworth Regional Council area. This involved looking at alternate revenue sources to deliver what's needed including a tourism accommodation levy, government grants and subsidies, sponsorship, and existing Council revenue streams.

The special rate variation was deemed the most valid and suitable option to ensure the objectives of the Event Attraction Strategy are met. More information as to why these options weren't suitable can be found in the Council reports published on youvoice.tamworth.nsw.gov.au

How will we know this revenue is being spent properly?

Council is obligated by the Independent Pricing and Regulatory Tribunal (IPART) to demonstrate and report annual on special rate variation income expenditures. Revenue raised through the variation must only be used for the purpose it is intended for. Council will also report to the community on a regular basis through its quarterly and annual reporting.

An independent panel of experts will be sourced from the community to oversee the assessment process for events. The Tamworth Business Chamber will be an automatic appointment to this panel, and we will open a nomination process to find other suitable members.

How can you have a say?

For more information about Council's Event Attraction Strategy and the proposed Special Rate Variation – New Events, visit youvoice.tamworth.nsw.gov.au

This online engagement portal allows you to view copies of the relevant Council reports; the Event Attraction Strategy; Impact Assessment Tool; other supporting materials, and importantly you can leave your comments and questions for Council in a transparent way.

Proposed Special Rate Variation
NEW Events
 Overview

www.tamworth.nsw.gov.au
 Tamworth Regional Council, PO Box 555, 437 Peel Street, Tamworth, NSW, 2340

In addition, and utilising the questions being raised from the engagement process, a robust Frequently Asked Questions Fact Sheet was developed and made available online through MYTRC Online Community.

Proposed Special Rate Variation – NEW Events

Overview

The Tamworth Region has a strong reputation for hosting outstanding events and is home to a large range of high quality event facilities. With this in mind, Tamworth Regional Council would like to talk to the business community about the possibility of introducing a New Events Levy to help attract and create even more event opportunities for the Region.

Our region has the facilities and the tourism network to attract major conferences, state and national sporting championships, and even international acts. The challenge however, is that to secure these events we are often required to offer subsidies, so we need a robust event attraction strategy with funding behind it.

We know from our own event impact assessment methodology and other reputable data sources like the National Institute of Economic and Industry Research, that events build capacity in our Region. We also know that the impact of those events is not just enjoyed by the hospitality sector as there is a ripple effect of spending felt through the entire business community over time.

As an example, the event impact of the Tamworth Country Music Festival is shown below:

Event Impact Summary

	Output (\$)	Value added (\$)	Employment (FTE)	Multiplier (GDP)
Direct Impact	56,300,000	28,151,000	859.9	1.00
Indirect Impact	13,400,000	6,680,000	197.5	1.21
Complementary Impact	8,500,000	4,240,000	130.4	1.34
Total Impact on Tamworth Regional Council economy	78,200,000	39,071,000	1187.8	1.35

Source: Planning Institute of Australia and Institute of Research in Business, 2010. Compiled and presented in accordance with the provisions of the State of New South Wales, 2010.

The introduction of a Special Rate, specifically aimed at attracting and creating new events, and levied on an equitable basis across all business rated properties, would put us in a strong position to compete with destinations like Coles Harbour who are already pulling large scale sporting events from Tamworth.

What is a Special Rate Variation?

In 1977 the NSW Government introduced 'rate pegging' to limit the amount by which councils can increase rate revenue from one year to the next (around 3% per year). Currently, the Independent Pricing and Regulatory Tribunal (IPRT) determines the amount that council rates can increase each year. Councils are able to apply for a Special

Rate Variation (SRV) in order to set rates higher than the rate peg for up to a seven-year period. All councils can apply to IPRT for an SRV to seek additional funds.

What Special Rate Variation is proposed?

Tamworth Regional Council is proposing a Special Rate Variation of 3% on all business rate categories, to be phased in over a three year period.

There are currently 1,629 properties rated as business across the region and the average annual rate paid is approximately \$3,445. The proposed 3% increase would equate to an average rate of \$3,546 in first year or \$101 annual increase.

	Year 1	Year 2	Year 3
Increased revenue	184,650	384,135	590,292
Cumulative % increase	3.0%	6.2%	9.7%
Average Rate	3,553		

Who will be levied?

The proposed Special Rate Variation would have no impact on residential properties or farming land.

How do our rates compare?

Each year the Department of Local Government release a comparison of rates between councils of a similar size and location. Even with the proposed levy applied, Tamworth's business rates would remain 20% lower than similar local government areas.

Council	Population	Average Rate (2016)	Average Rate (2017)	Average Rate (2018)	Average Rate (2019)
Albury City	81,722	1,218	1,281	1,344	1,407
Armidale City	16,221	876	912	948	984
Bathurst Regional	16,221	876	912	948	984
Orange City	41,888	1,233	1,281	1,329	1,377
Wagga Wagga City	65,428	872	910	948	986
Tamworth Regional	81,021	827	865	903	941
Source: Average		1,089	1,137	1,185	1,233
Tamworth % compared to other		12.8%	17.3%	21.8%	26.3%

Image : Frequently Asked Questions Fact Sheet

The online portal also had a section of frequently asked questions and information and key dates of the engagement process. All events were advertised through the online portal, and key dates.

FAQ

Understanding the Administration

- ? Has Council appointed panel members already?

Understanding the need

- ? Why do we need a special rate variation?

Understanding the impact







- ? What will be the impact on my business?
- ? Who will the special rate variation apply to?
- ? If the levy is introduced when would it come into effect?
- ? How will the special rate variation be implemented?

Key Dates

- 📅 **Wednesday 5 December 2018 07:00 AM – 09:30 AM**
Session 1 - Tamworth Special Rate Payers Information
The Passchendaele Room,
Tamworth Town Hall,
Fitzroy street, Tamworth, NSW 2340
- 📅 **Wednesday 5 December 2018 12:00 PM – 01:30 PM**
Session 2 - Tamworth Special Rate Payers Information
The Passchendaele Room,
Tamworth Town Hall,
Fitzroy street,
Tamworth
NSW 2340
- 📅 **Wednesday 5 December 2018 05:30 AM – 07:00 AM**
Session 3 - Tamworth Special Rate Payers Information
The Passchendaele Room,
Tamworth Town Hall,
Fitzroy street, Tamworth, NSW 2340
- 📅 **Tuesday 20 November 2018 07:00 AM – 09:00 AM**
Manilla Business Breakfast
- 📅 **Friday 23 November 2018 09:00 AM – 04:00 AM**
Tamworth Shopping World Pop Up Stand
- 📅 **Wednesday 14 November 2018 07:00 AM – 09:00 AM**
Tamworth Business Breakfast
- 📅 **Thursday 15 November 2018**
Barraba Business Breakfast
- 📅 **Wednesday 7 November 2018 07:00 AM – 09:00 AM**
Nundle Business Breakfast

Extensive print advertising campaign

Media releases and print advertisements were placed in three local newspapers, the Northern Daily Leader, Barraba Gazette and Manilla Express, with content also placed in the Community Newsletter produced by the Nundle community.

 <p>Are you part of the business community?</p> <p>We're keen to talk to you and get your feedback on a Special Rate Variation specifically aimed at attracting and creating NEW events, and levied on an equitable basis across all business rated properties in the Tamworth Region.</p> <p>Join us for breakfast Tuesday 20 November 7.00am, Manilla Town Hall</p> <p>RSVP essential, please visit yourvoice.tamworth.nsw.gov.au</p> <p>In partnership with </p>	 <p>Are you part of the business community?</p> <p>We're keen to talk to you and get your feedback on a Special Rate Variation specifically aimed at attracting and creating NEW events, and levied on an equitable basis across all business rated properties in the Tamworth Region.</p> <p>Join us for breakfast Thursday 15 November 7.00am, The Playhouse Hotel, 123 Queen Street, Barraba</p> <p>RSVP essential, please visit yourvoice.tamworth.nsw.gov.au</p> <p>In partnership with </p>	 <p>Are you part of the business community?</p> <p>We're keen to talk to you and get your feedback on a Special Rate Variation specifically aimed at attracting and creating NEW events, and levied on an equitable basis across all business rated properties in the Tamworth Region.</p> <p>Join us for breakfast Wednesday 14 November 7.00am, Oxley Room, Ibis Hotel</p> <p>RSVP essential, please visit yourvoice.tamworth.nsw.gov.au</p> <p>In partnership with </p>
<p>Manilla Express – weekly</p> <p>Published: Tuesday 13 November</p> <p>Circulation = 1,000</p>	<p>Barraba Gazette – weekly</p> <p>Published: Tuesday 13 November</p> <p>Circulation = 1,000</p>	<p>Northern Daily Leader – Daily</p> <p>Published: Saturday 10 November</p> <p>Monday 12 November</p> <p>Tuesday 13 November</p> <p>Circulation: Weekend = 15,460</p> <p>Week Day = 47,550</p>

Content of all press releases and public notices aimed to notify ratepayers of the application process and encourage comment and feedback.

Social media

A dedicated social media campaign, primarily utilising Facebook and short video messaging, was developed and rolled out for the duration of the process.

28 March 2018

 **Tamworth Regional Council**
March 28, 2018 · 🌐

Tamworth Regional Council has taken a step toward creating a fund specifically designed to attract and subsidise major new events to the Tamworth Region.

At last night's meeting Councillors decided to proceed with an extensive community consultation program to gauge support for the Special Rate Variation application.

For more, see bit.ly/2Gzh652



3,365 People Reached 466 Engagements [Boost Post](#)

November 12th 2018

 **Tamworth Regional Council**
November 12 at 8:44 AM · 🌐

Are you part of the local business community?
We'd love to talk to you about a New Event Levy to help attract and create new events to our region.
Join us for breakfast... [See More](#)

**Special Rate Variation—
New Events**

Join us for a free breakfast to hear more

Tamworth Business Breakfast	Barraba Business Breakfast	Manilla Business Breakfast
Wednesday 14 November	Thursday 15 November	Tuesday 20 November

Who we engaged

A Stakeholder Analysis Matrix (Appendix A) has been developed as part of the engagement planning process to identify stakeholders and the level of possible impact. The matrix provides clear guidance of who needs to be engaged and supports the identification of the appropriate method of engagement to capture that stakeholder group.

The Tamworth Business Chamber with a membership of 450, have played a vital role in our planning and discussions to proceed with a Special Rate Variation – Special Event Levy. Importantly, at their Board Meeting of 17 October 2018, the Executive voted to support the Levy and to co-host a series of information breakfasts for the business community.



Consulting the community

With stakeholders identified Council commenced identifying both the appropriate level of engagement and most effective tools. In accordance with Council’s community engagement framework Stage 2 was identified as the project status and consulting as the required level of engagement to include, community meetings, information sessions, one on one meetings with online virtual tools to support the execution of the project engagement.

Level of Engagement

The project identified was a stage 2 Level of engagement required for your project:

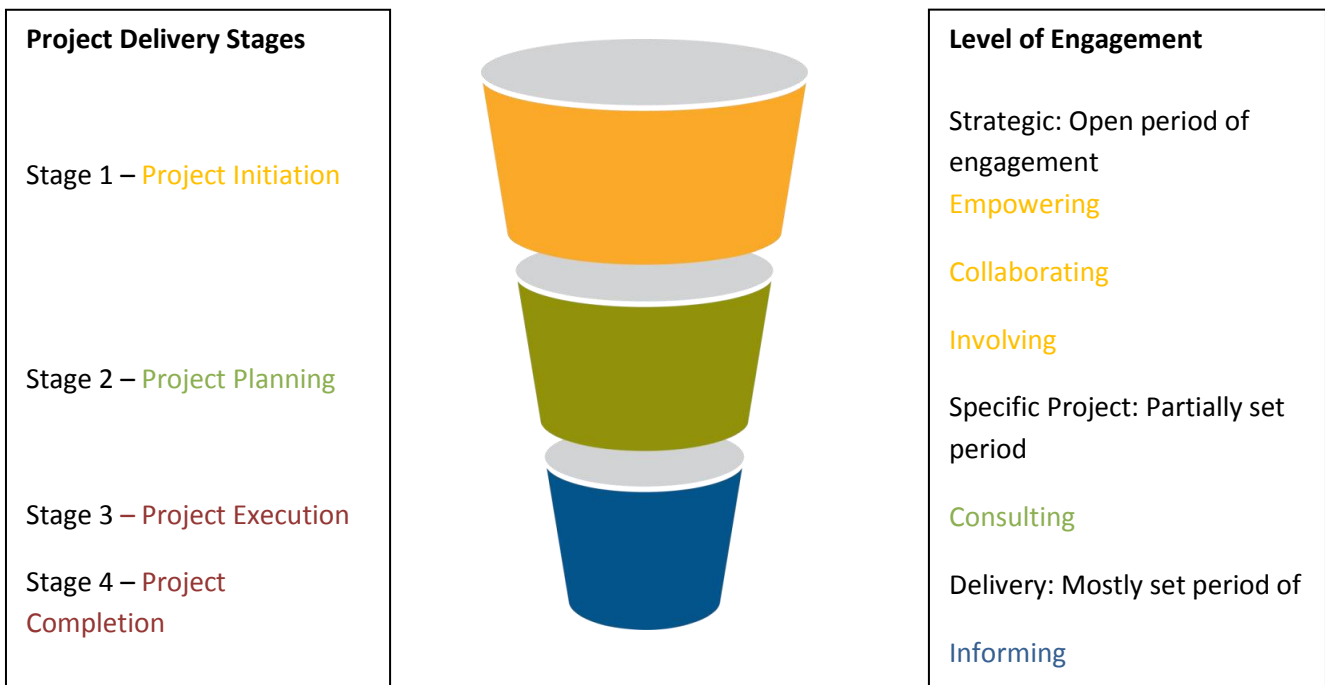


Image : Project Alignment with Level of Engagement

Activities undertaken were:

Consult	Example Tool kit
<p>To obtain public feedback on analysis, alternatives and/or decisions.</p> <p>Example:</p> <ul style="list-style-type: none"> - Project based – small to large 	<p>Virtual tools</p> <ul style="list-style-type: none"> - advertising – newspaper/radio/social media - survey - online – website, engagement platform <p>Live activities</p> <ul style="list-style-type: none"> - advisory committees - briefings - community meetings - discussion groups/workshops - information sessions and public comment - focus Group - one on one meetings - open days - Feedback and submissions invited

The major general commercial property rate payers/business owner community meetings consisted of business breakfasts and information sessions. Feedback was encouraged to be were as follows:

LOCATION	DATE	VENUE	TIME
Nundle	Wed, 7 November 2018	Nundle Guesthouse	7.00am
Tamworth	Wed, 14 November 2018	The Ibis Hotel	7.00am
Barraba	Thurs, 15 November 2018	The Playhouse	7.00am
Manilla	Tues, 20 November 2018	Manilla Town Hall	7.00am
Tamworth	Wed, 5 December 2018	Tamworth Town Hall	7.00am; Noon; and 5.00pm

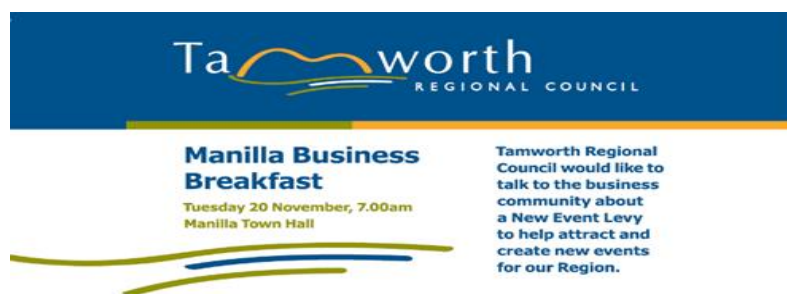


Image : Business Breakfast invitations distributed to commercial rate payers and businesses in each location.

Other events included attendance of group stakeholder meetings such as Rotary clubs, industry groups and shopping centre managers. A total of 26 events were conducted across the region with an estimated direct reach of 225 people.

One on One Meeting Schedule and Presentations to associations and key stakeholder groups

STAKEHOLDER	DATE	VENUE	TIME
City Centre Working Group	Thu, 8 November 2018	TRC – RWH Peel st	7.30am
NIAS	Fri, 9 November 2018	TRC – RWH Peel st	10.00am
LAULC	Fri, 9 November 2018	Brisbane st	3.00pm
Barraba Rotary	Wed, 14 November 2018	Barraba	6.30pm
Manilla Rotary	Mon, 19 November 2018	Manilla	6.30pm
Atrium	Wed, 21 November 2018	TRC –RWH Peel st	3.00pm
Calala Rotary	Wed, 21 November 2018	Calala Inn	6.15pm
Labor Co	Thu, 22 November 2018	TRC –RWH Peel st	10.00am
Best Employment	Thu, 22 November 2018	TRC –RWH Peel st	11.30am
Centrepoint	Thu, 22 November 2018	TRC –RWH Peel st	1.00pm
Rotary West	Mon, 26 November 2018	Services Club	6.30pm

The PR Coverage generated the following reach:

Northern Daily Leader	Print articles: 11
	Online articles: 9
Prime 7 News Segments	2
NBN Segments	1
ABC Radio Segments	10
92.9/2TM Segments	4
2NM Muswellbrook Segments	1
Social media	7365
Online Engagement Platform	
PR REACH	Approx. 135,737
PR VALUE	Approx. \$169,647

Note: Large proportion of circulation figures were not recorded by iSentia Media Monitoring

Community Satisfaction Survey

Council sought to examine community attitudes and perceptions towards current and future services and facilities provided by Council. To facilitate this, Micromex Research was contracted to develop and conduct a survey to allow Council to effectively analyse attitudes and trends within the community. As a part of this bi annual activity a question was asked to identify if the community saw the need for more events in the region. The results revealed that 76% believe the region should have more events and conferences, with 30% of these residents stating these events will support local businesses and the economy.

Q11a. Do you believe that there should be more events and conferences in general in the region?

	Overall	Male	Female	18-34	35-49	50-64	65+	Ratepayer	Non-ratepayer
Yes	76%	79%	74%	75%	81%	79%	71%	77%	74%

Q11b. Why do you say that?

Yes	N=588
Supports local businesses/economy	30%
Attracts more people to the town/tourism	17%
Provides Tamworth with more activities/events to go to	11%
Promotes Tamworth/puts us on the map	7%
Plenty of room/facilities/infrastructure to handle it	6%
Important to have conferences to keep us informed/give our opinion	5%
Creates employment opportunities	3%
No	
There is enough already	6%
It doesn't bother/interest me	5%
Don't know	
It doesn't bother/interest me/no opinion	2%

Interviewing was conducted in accordance with the AMMSRS (Australian Market and Social Research Society) Code of Professional Behaviour. Participants in the survey were pre-qualified as being over the age of 18, and not working for, nor having an immediate family member working for Council.

Online Engagement Portal

Information was made available to the public through an online engagement portal. The portal provided a medium for people to participate in public conversations, make a formal submission, read public documents and question and answer fact sheets.

A total of 1205 views of the portal were conducted during the engagement period with 48.8% of visitors spending more than one active minute on the site, and 19 people participating in the public forum.

Referral types were:

Direct: 200 – 37.24%

Social Media: 156 – 29.05%

Websites: 125 – 23.28%

Search Engine: 53 – 9.87%

Other: 3 – 0.56%

Online Portal Forum

The public were encouraged to contribute their views on the online portal through a forum. Here people could ask any question or share their views. A total of 15 people provided comment in the forum. A summary of comments made in the forum is provided under consultation feedback in this report.


Council website

Information was also provided through Council's website to invite people who wished to make a formal submission through <http://www.tamworth.nsw.gov.au/News-Articles/2018/November-2018/Business-community-invited-to-give-feedback-on-new-events-levy>

Presentations to associations and key stakeholder groups

Presentations consisted of the following information, varied for the targeted stakeholder audiences and were made available to the general public through the online portal.

Proposed Special Event Levy (SRV) New Events



Agenda

- Welcome
- Introductions
- Presentation slide show
- Q & A
- Feedback Session

Background

- Council is consistently being asked to subsidise/incentivise new events
- Destinations are competitive in their bid to secure major events
- Council is in a strong financial position however there is a limit to our capacity

What is an 'event'

- Events:
 - conferences
 - major sporting competitions
 - large scale arts and cultural festivals
 - niche interest gatherings
 - large scale music festivals

What is proposed?

- To introduce a Special Rate Variation (SRV) – New Events

Specifically aimed at attracting and creating NEW events, and levied on an equitable basis across all business rated properties in the Tamworth Region.

Special Rate Variation explained

- What is a Special Rate Variation?
- What Special Rate Variation is proposed
- Why is it being considered
 - December 2017 – Mayor's Minute
 - March 2018 – General Manager's Report & Recommendations

Special Rate Variation Explained

- We explored alternatives:
 - Tourism accommodation Levy (Bed Tax)
 - Government Grants & Subsidies
 - Sponsorship
 - Existing Council revenue streams
- TRC funding:
 - obligatory v's discretionary

The impact of new events

- Events generate economic return
 - Average Daily Spending*
 - Tourism \$142 (\$142.86)
 - Sports and recreation Event \$142
 - Business \$277 (\$126 + \$151)

*Source: TRIA, Destination NSW, TRCEconomic Development Department

- To attract large scale events, we need to be in the financial position to chase and incentivise

Levy would only apply to NEW EVENTS only

The impact of new events

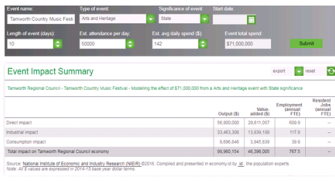
DIRECT BENEFITS IMPACT	INDIRECT BENEFITS IMPACT
↑ Business trade	↑ Add on to other events
↑ Community	↑ Accommodation or trade

Direct Impact: expenditure associated with the industry (e.g. labour, material, supplies, capital)

Industrial Impact: Indirect demand for intermediate goods & services across related industry. ('ripple effect')

Consumption Impact: Additional contribution to economy through more wages and salaries are spent in local economy

The impact of new events



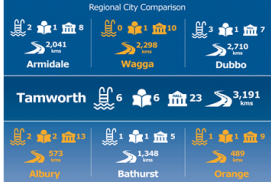
Current Business Rate Comparison

- Comparison across the same category of NSW Local Government sector:

	Population	Average Residential Rate \$/m	Average Commercial Rate \$/m	Average Business Assessment \$/m
Armidale City	32,169	1,543	2,056	5,022
Armidale Dumaresq	32,211	N/A	N/A	N/A
Bathurst Regional	42,329	992	1,205	3,982
Dubbo City	61,428	N/A	N/A	N/A
Orange City	41,264	1,275	1,771	5,689
Upper Murrumbidgee	24,022	1,028	2,473	5,328
Tamworth Regional	80,990	1,084	2,127	6,234
Group Average		14.9%	18.0%	63.2%

TRC is similar to group

Current Business Rate Comparison



Current landscape

- Strong reputation hosting events**
 - Wanted to do so
 - Country Music Festival
- High quality facilities & capacity**
 - ASIC
 - Sporting facilities
 - ASAC/NSW/QLD
- Regional City**
 - Regional for growth
 - Attracting strong investment in infrastructure
- Attraction Strategy**
 - The missing piece of the puzzle

Administration of proposed levy

- Introduce an **Event Attraction Strategy** that considers:
 - Off Peak – Shoulder season
 - New event to complement the existing robust calendar of events
 - Attract intrastate, interstate and international visitors
 - Maximise utilisation of venue infrastructure

Event Impact Assessment Methodology

We will use economic model to determine the value of events.

- length of event
- estimated attendance per day
- overnight visitation
- average daily spending based on Tourism Research Australia, Destination NSW and Economy ID data

A secondary assessment framework will measure:

- marketing impact
- seasonal impact
- community impact

Appoint Expert panel

What will a Special Rate Variation mean to you and your business?

	2019-20	2020-21	2021-22	2022-23	Cumulative Increase
Average business rate under rate cap only	\$ 3,300	\$ 3,389	\$ 3,508	\$ 3,777	13.6%
Annual increase (%)	2.7	2.6	3.5	7.8	
Average business rate over DV	\$ 5,700	\$ 6,004	\$ 6,418	\$ 6,832	19.7%
Annual increase (%)	5.3	5.1	6.7	13.1	
Cumulative impact of DV above business rate	\$ 2,400	\$ 2,615	\$ 2,910	\$ 3,055	12.6%
Cumulative impact of DV above rate cap	\$ 3,300	\$ 3,515	\$ 3,810	\$ 4,055	22.6%

*2022/23 the assumptions are for future years provided by RATEC.

Current Business Rate Regional Comparison

Rating Category	2019/2020 Rate Estimate	No of Properties
Tamworth	100,716.07	81
Orange	52,884.70	58
Other	100,000.00	100
Tamworth	8,210,378.41	1,063
Other	38,407.87	58
David Hill	6,839,213.37	1,057

What will my rate be?

Rates & Charges Notice

<https://yourvoice.tamworth.nsw.gov.au/special-rate-variation-new-events>

When would the SRV – New Events come into effect?

- If the SRV – New Events is approved by the Independent Pricing and Regulatory Tribunal (IPART), the rate will apply for the financial years of:
 - 2019/2020 – 3%
 - 2020/2021 – 6.2%
 - 2021/2022 – 9.7%

Accountability

- What happens if we don't spend it all?
- Reporting back to the community
- Other measures of success
 - Visitor data
 - Telstra data

What does this mean for our region?

- ✓ Equity in rate application
- ✓ Increased tourism
- ✓ Opportunity to generate own events
- ✓ Opportunity to influence attraction strategy

How are we engaging the community?

- Tamworth Business Chamber is supportive
- We are hosting community breakfasts, stakeholder meetings and online forums for the community to be involved in the conversation.
- How can I put forward my ideas on what new event would be good for our region?
 - Today's session
 - visit www.yourvoice.tamworth.nsw.gov.au

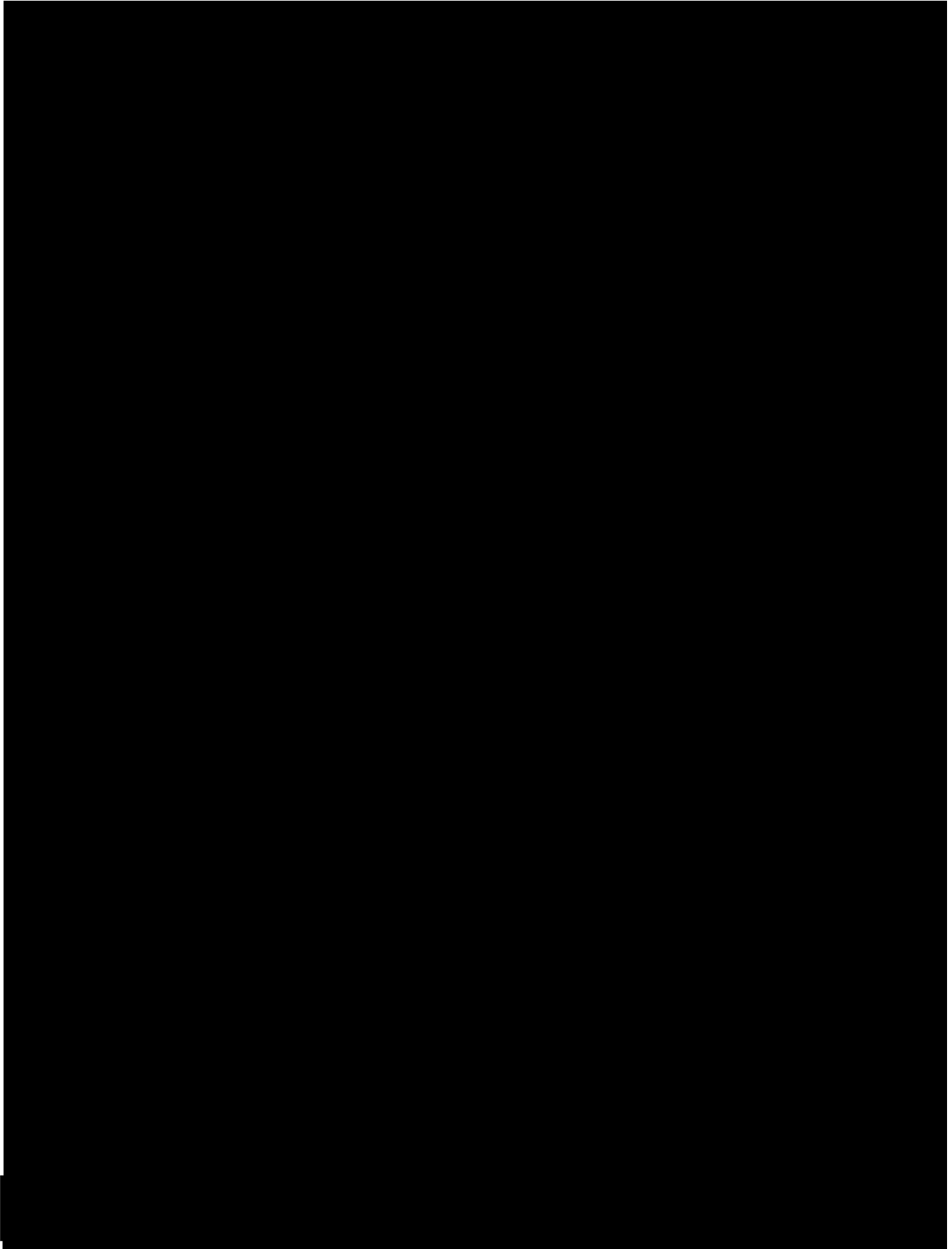
Question time & your suggestions

Consultation Feedback

Feedback was sought from many different mediums and access points to Council. These were through formal written submission, the online engagement portal forum, live face to face meetings and information sessions. The most common feedback from the business breakfasts, face to face meetings and from correspondence received through communication channels can be categorised included the following:

TOPIC	COUNCIL RESPONSE
Why can't the Hotel and accommodation industry be levied only?	Council is not able to, in accordance with the Local Government Act, to levy a bed tax upon the Local Government Area. A Bed Tax was explored during research across the Local Government Industry best practices.
Why can't the levy be applied across all rate payers as they all benefit?	The levy could be, but it has been determined that the levy will have the most direct economic benefit to the business community and the special rate is being proposed on this basis.
It is not fair to penalize the rate payers and businesses, when there are businesses that don't have the overhead costs like air bnb that won't be charged	Council does not have jurisdiction to monitor who has a registered business operating from home. Council understands the concern and will work with the community to identify those that are not operating with the required permits and regulations to ensure they are compliant. The proposed levy will be applied to all ratable properties with a business category
Why can't Council just fund this already?	Council is approached nearly every Council meeting to provide financial support/sponsorship for events in the region. Council does not have the funds to continue to provide this support without impacting our existing operations and community service levels with increasing revenue. The levy proposed will provide a strategic approach to assessing events for sponsorship to ensure that the event is providing a good economic return to the community.
Can't Council just focus on other things such as rates, rubbish and roads, isn't economic development a state government and private sector thing?	The Tamworth Regional Council as the local government representative of the region's job is to serve the community, to act as an enabler to support the growth and development of the region. This includes service beyond what has traditionally been the role of Council's. Council does not receive funding or have excessive funds to strategically guide this growth and the proposed levy would do so.
Why now, when there is a period of drought?	The levy is proposed to allow a strategy to be implemented that will attract future external investment into the region, and is an opportunity for drought recovery.
Why is the Chamber of Commerce president (hotel proprietor) already appointed on the assessment panel?	No one has been appointed to the assessment panel, and any appointments to the panel will be conducted through an Expression of Interest process. The panel will consist of one Council representative and members of the community that are from different business sectors or industry that have the expertise to make a thorough assessment.

TOPIC	COUNCIL RESPONSE
<p>My business won't receive direct benefit from an event, why should I pay the rate?</p>	<p>Council has developed an economic modelling framework that will help assess each new event in regards to the return on investment, the dollar spend both direct and indirect. The daily spend estimated is calculated by Tourism NSW at the event location. This can drive increased casual jobs, greater spend after the event where there is increased cash flow for locals that may be able to afford something they otherwise were not. Council understands different events will drive different types of direct and indirect benefits.</p>



Written Submissions

A total of 10 written submissions have been received, all not in favour of the proposed levy. A copy of these can be found in Attachment A, and a summary of the key themes can be found under consultation feedback in this report.

Online Portal Forum

The public were encouraged to contribute their views on the online portal through a forum. Here people could ask any question or share their views. A total of 15 people provided comment in the forum. A summary of comments made in the forum is provided under consultation feedback in this report.

Live Engagement Activity Responses

Responses were received in face to face meetings, such as business breakfasts, key stakeholder meetings and information sessions. A summary of the feedback received can be found under consultation feedback in this report, and the detailed list of responses can be found in Attachment A.

Conclusion

Council has conducted a robust and targeted consultation process to both demonstrate the impact and the need for the implementation of a proposed Special Rate Variation for the purpose of new event attraction and hosting. Support from the 450 member Chamber of Commerce has provided buy in from business members and community alike.

We received only 15 formal submissions, and 10 written submissions. The live public information sessions were lively with healthy debate, and the key stakeholder meetings were generally supportive with healthy exploration of opportunities.

Whilst Council understands not everyone will be in favour of this proposal, overall there has been positive feedback on the intent of the proposal.

Proposed Special Event Levy (SRV) New Events



Agenda

- Welcome
- Introductions
- Presentation slide show
- Q & A
- Feedback Session

Background

- Council is consistently being asked to subsidise/incentivise new events
- Destinations are competitive in their bid to secure major events
- Council is in a strong financial position however there is a limit to our capacity

What is an 'event'

- Events:
 - conferences
 - major sporting competitions
 - large scale arts and cultural festivals
 - niche interest gatherings
 - large scale music festivals

What is proposed?

- To introduce a Special Rate Variation (SRV) – New Events

Specifically aimed at attracting and creating NEW events, and levied on an equitable basis across all business rated properties in the Tamworth Region.

Special Rate Variation explained

- What is a Special Rate Variation?
- What Special Rate Variation is proposed
- Why is it being considered
 - December 2017 – Mayoral Minute
 - March 2018 – General Manager's Report & Recommendations

Special Rate Variation Explained

- We explored alternatives:
 - Tourism accommodation Levy (Bed Tax)
 - Government Grants & Subsidies
 - Sponsorship
 - Existing Council revenue streams
- TRC funding:
 - obligatory v's discretionary

The impact of new events

- Events generate economic return

Average Daily Spending*

- Tourism \$142 (\$142.86)
- Sports and recreation Event \$142
- Business \$277 (\$126 + \$151)

*Source: TRA, Destination NSW, TRC Economic Development Department

- To attract large scale events, we need to be in the financial position to chase and incentivise

Levy would only apply to NEW EVENTS only

The impact of new events

DIRECT BENEFITS IMPACT	INDIRECT BENEFITS IMPACT
↑ Business trade	↑ Add on to other events
↑ Community	↑ Accommodation or trade

Direct Impact: expenditure associated with the industry (e.g. labour, material, supplies, capital)

Industrial Impact: Indirect demand for intermediate goods & services across related industry. ('ripple effect')

Consumption Impact: Additional contribution to economy through more wages and salaries are spent in local economy

The impact of new events

Event name: Type of event: Significance of event: Start date:

Length of event (days): Est. attendance per day: Est. avg daily spend (\$): Event total spend:

Event Impact Summary

export reset

Tamworth Regional Council - Tamworth Country Music Festival - Modelling the effect of \$71,000,000 from a Arts and Heritage event with State significance

	Output (\$)	Value-added (\$)	Employment (annual FTE)	Resident Jobs (annual FTE)
Direct impact	56,800,000	28,611,057	609.9	--
Industrial impact	33,463,308	13,839,108	117.8	--
Consumption impact	8,696,846	3,945,839	39.8	--
Total impact on Tamworth Regional Council economy	98,960,154	46,396,005	767.5	--

Source: National Institute of Economic and Industry Research (NIEIR) ©2016. Compiled and presented in economy.id by [id](#), the population experts.
Note: All \$ values are expressed in 2014-15 base year dollar terms.

Current Business Rate Comparison

- Comparison across the same category of NSW Local Government sector.

Council	Population	Average Residential Rate (\$)	Average Farmland Rate (\$)	Average Business Assessment (\$)
Albury City	52,165	1,243	3,095	5,828
Armidale Dumaresq	30,311	N/a	N/a	N/a
Bathurst Regional	42,389	992	1,305	3,962
Dubbo City	51,429	N/a	N/a	N/a
Orange City	41,384	1,278	1,771	5,669
Wagga Wagga City	64,085	1,006	2,575	5,386
Tamworth Regional	60,998	952	1,841	3,128
Group Average		1,094	2,117	4,795
TRC % variance to group		14.9%	15.0%	53.2%

Current Business Rate Comparison



Current landscape



Strong reputation hosting events

- Nundle Go for Gold
- Country Music Festival



High quality facilities & capacity

- AELEC
- Sporting facilities
- Accommodation



Regional City

- Targeted for growth.
- Attracting strong investment in infrastructure



Attraction Strategy

- The missing piece of the puzzle

Administration of proposed levy

- Introduce an **Event Attraction Strategy** that considers:

Off Peak – Shoulder season

New event to compliment the existing robust calendar of events

Attract intrastate, interstate and international visitors

Maximise utilisation of venue infrastructure

Event Impact Assessment Methodology

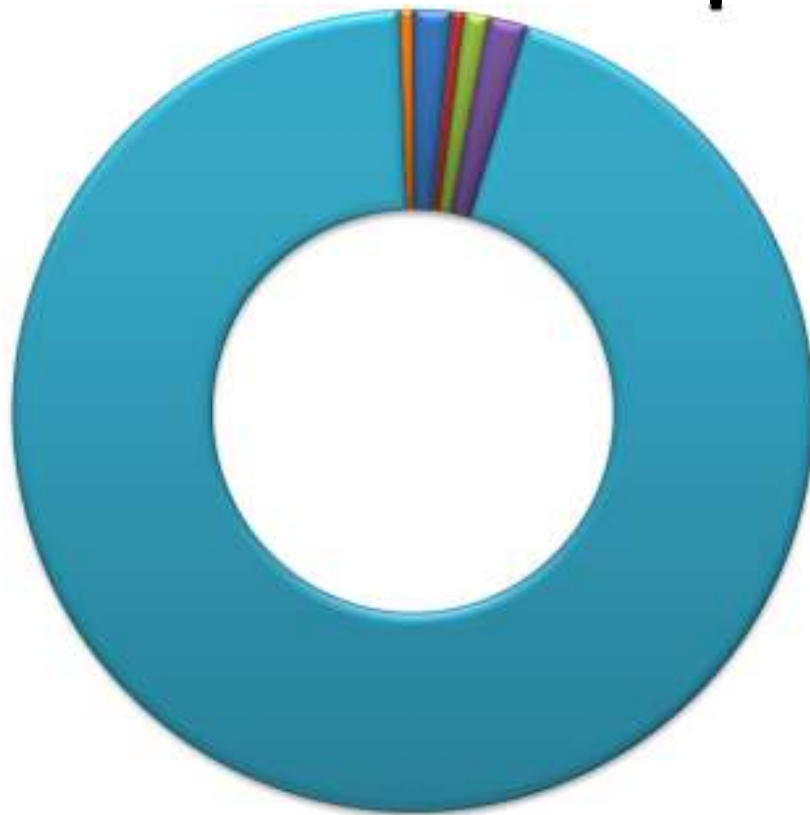
We will use economic model to determine the value of events.

- length of event
- estimated attendance per day
- overnight visitation
- average daily spending based on Tourism Research Australia, Destination NSW and Economy ID data
- A secondary assessment framework will measure:
 - marketing impact
 - seasonal impact
 - community impact
- Appoint Expert panel

What will a Special Rate Variation mean to you and your business?

	2018-19	2019-20	2020-21	2021-22	Cumulative increase
Average business rate under rate peg only	\$ 3,500	\$ 3,595	\$ 3,685	\$ 3,777	7.9%
Annual increase (%)		2.7	*2.5	*2.5	
Average business rate with SV	\$ 3,500	\$ 3,700	\$ 3,904	\$ 4,119	17.6%
Annual increase (%)		5.7	5.5	5.5	
Cumulative impact of SV above base year levels		\$ 200	\$ 404	\$ 619	
Cumulative impact of SV above rate peg		\$ 105	\$ 219	\$ 342	9.7%
*2.5% is the assumed rate peg for future years provided by IPART.					

Current Business Rate Regional Comparison



Rating Category	2019/2020 Rates Estimate	No of Properties
Barraba	100,776.07	91
Kootingal/Moonbi	33,387.67	41
Manilla	65,864.78	56
Ordinary	103,506.01	131
Tamworth	6,270,579.41	1,455
Village	35,407.97	53
Grand Total	6,609,521.97	1,827

■ Barraba
 ■ Kootingal/Moonbi
 ■ Manilla
 ■ Ordinary
 ■ Tamworth
 ■ Village

What will my rate be?



Mr John Citizen
PO Box 123456
TAMWORTH NSW 2340

Tamworth Regional Council
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437 Peel Street Tamworth NSW 2340
DX 6125 Tamworth
General Enquiries (02) 6767 5555
Toll Free 1300 733 625
tro@tamworth.nsw.gov.au
www.tamworth.nsw.gov.au

PARTICULARS OF RATES & CHARGES - 2018/2019

Property Details				Date of Issue:	18/07/2018
123456 Peel Street, TAMWORTH NSW 2340 Lots 1-100 DP 123456789				Property No:	123456
PARTICULARS OF RATES AND CHARGES				Deduct Payment Since:	10/07/2018
PARTICULARS OF RATES AND CHARGES	CENTS IN \$	RATEABLE VALUE	AMOUNT	Variation Base Date:	01/07/2016
Ordinary Business - Tamworth	@ 1.207244 c in \$	1000000	\$22,637.64		
Ordinary Business Base Amount - Tamworth	Base Amount	0	\$180.00		
Sewer Availability - Non-Residential - 50mm	Availability Charge	1	\$3,142.80		
Stormwater Management Service - Business	\$25/350m2 Impre Surf	4303	\$325.00		
Water Availability Non-Residential - 50mm	\$1699.00 per Service	1	\$1,699.00		
Daily Interest Rates on Overdue Accounts is 7.5% per annum					
Payment in Full Amount Due			\$28,264.24		
				Instalment 1	
				Due	31/08/2018
					\$7,066.24
				Instalment 2	
				Due	30/11/2018
					\$7,066.00
				Instalment 3	
				Due	28/02/2019
					\$7,066.00
				Instalment 4	
				Due	31/05/2019
					\$7,066.00

<https://yourvoice.tamworth.nsw.gov.au/special-rate-variation-new-events>

What will my rate be?

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- What happens if we don't spend it all?
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Question time & your suggestions

Proposed Special Rate Variation – NEW events

Overview

The Tamworth Region has a strong reputation for hosting outstanding events and is home to a large range of high quality event facilities. With this in mind, Tamworth Regional Council would like to talk to the business community about the possibility of introducing a New Events Levy to help attract and create even more event opportunities for the Region.

Our region has the facilities and the tourism network to attract major conferences, state and national sporting championships, and even international acts. The challenge however, is that to secure these events we are often required to offer subsidies, so we need a robust event attraction strategy with funding behind it.

We know from our own event impact assessment methodology and other reputable data sources like the National Institute of Economic and Industry Research, that events build capacity in our Region. We also know that the impact of those events is not just enjoyed by the hospitality sector as there is a ripple effect of spending felt through the entire business community over time.

As an example, the event impact of the Tamworth Country Music Festival is shown below

Event name:	Type of event:	Significance of event:	Start date:
Tamworth Country Music Festi	Arts and Heritage	State	
Length of event (days):	Est. attendance per day:	Est. avg daily spend (\$):	Event total spend:
10	50000	142	\$71,000,000
			Submit

Event Impact Summary [export](#) [reset](#)

Tamworth Regional Council - Tamworth Country Music Festival - Modelling the effect of \$71,000,000 from a Arts and Heritage event with State significance

	Output (\$)	Value-added (\$)	Employment (annual FTE)	Resident Jobs (annual FTE)
Direct impact	56,800,000	28,611,057	609.9	--
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Total impact on Tamworth Regional Council economy	98,960,154	46,396,005	767.5	--

Source: National Institute of Economic and Industry Research (NIEIR) ©2016. Compiled and presented in economy.id by [_id_](#), the population experts.
Note: All \$ values are expressed in 2014-15 base year dollar terms.

The introduction of a Special Rate, specifically aimed at attracting and creating new events, and levied on an equitable basis across all business rated properties, would put us in strong position to compete with destinations like Coffs Harbour who are already pulling large scale sporting events from Tamworth.

What is a Special Rate Variation?

In 1977 the NSW Government introduced 'rate pegging' to limit the amount by which councils can increase rate revenue from one year to the next (around 3% per year). Currently, the Independent Pricing and Regulatory Tribunal (IPART) determines the amount that council rates can increase each year. Councils are able to apply for a Special Rate Variation (SRV) in order to set rates higher than the rate peg for up to a seven-year period. All councils can apply to IPART for an SRV to seek additional funds.

What Special Rate Variation is proposed?

Tamworth Regional Council is proposing a Special Rate Variation of 3% on all business rate categories, to be phased in over a three year period.

There are currently 1,828 properties rated as business across the region and the average annual rate paid is approximately \$3,445. The proposed 3% increase would equate to an average rate of \$3,546 in first year or \$101 annual increase.

	Year 1	Year 2	Year 3
Increased revenue	184,680	384,135	599,292
Cumulative % increase	3.0%	6.2%	9.7%
Average Rate	3,553		

Who will be levied?

The proposed Special Rate Variation would have no impact on residential properties or farming land

How do our rates compared?

Each year the Department of Local Government release a comparison of rates between councils of a similar size and location. Even with the proposed levy applied, Tamworth's business rates would remain 20% lower than similar local government areas.

Council	Population	Average Residential Rate (\$)	Average Farmland Rate (\$)	Average Business Assessment (\$)
Albury City	51,722	1,218	2,831	5,795
Armidale Dumaresq	N/a	N/a	N/a	N/a
Bathurst Regional	42,231	975	1,281	3,899
Dubbo City	N/a	N/a	N/a	N/a
Orange City	41,809	1,233	1,769	5,696
Wagga Wagga City	63,428	972	2,426	5,386
Tamworth Regional	61,121	927	1,809	2,971
Group Average		1,065	2,023	4,749
TRC % variance to group		14.8%	11.9%	59.8%

Where will the extra income be spent?

Revenue raised through the special rate variation will be used to attract and create NEW events, conferences and sporting opportunities for the Region.

A dedicated Event Attraction Strategy and an Event Impact Assessment Model has been developed to guide the process of valuing events to ensure a fair and equitable distribution of funds. A secondary assessment framework will measure marketing, seasonal and community impacts.

The focus on the Event Attraction Strategy is to consider:

- Off Peak and shoulder season events
- New events that compliment the existing calendar of events around the region
- Attract intrastate, interstate and international visitors
- Maximise the utilisation of venue infrastructure

Are there other options for raising the required revenue?

Council explored a number of opportunities to establish a permanent revenue stream for the ongoing management and attraction of major events in the Tamworth Regional Council area. This involved looking at alternate revenue sources to deliver what's needed including a tourism accommodation levy, government grants and subsidies, sponsorship and existing Council revenue streams.

The special rate variation was deemed the most valid and suitable option to ensure the objectives of the Event Attraction Strategy are met. More information as to why these options weren't suitable can be found in the Council reports published on yourvoice.tamworth.nsw.gov.au

How will we know this revenue is being spent properly?

Council is obligated by the Independent Pricing and Regulatory Tribunal (IPART) to demonstrate and report annual on special rate variation income expenditure. Revenue raised through the variation must only be used for the purpose it is intended for. Council will also report to the community on a regular basis through its quarterly and annual reporting.

An independent panel of experts will be sourced from the community to oversee the assessment process for events. The Tamworth Business Chamber will be an automatic appointment to this panel, and we will open a nomination process to find other suitable members.

How can you have a say?

For more information about Council's Event Attraction Strategy and the proposed Special Rate Variation – New Events, visit yourvoice.tamworth.nsw.gov.au

This online engagement portal allows you to view copies of the relevant Council reports; the Event Attraction Strategy; Impact Assessment Tool; other supporting materials, and importantly you can leave your comments and questions for Council in a transparent way

