

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	--

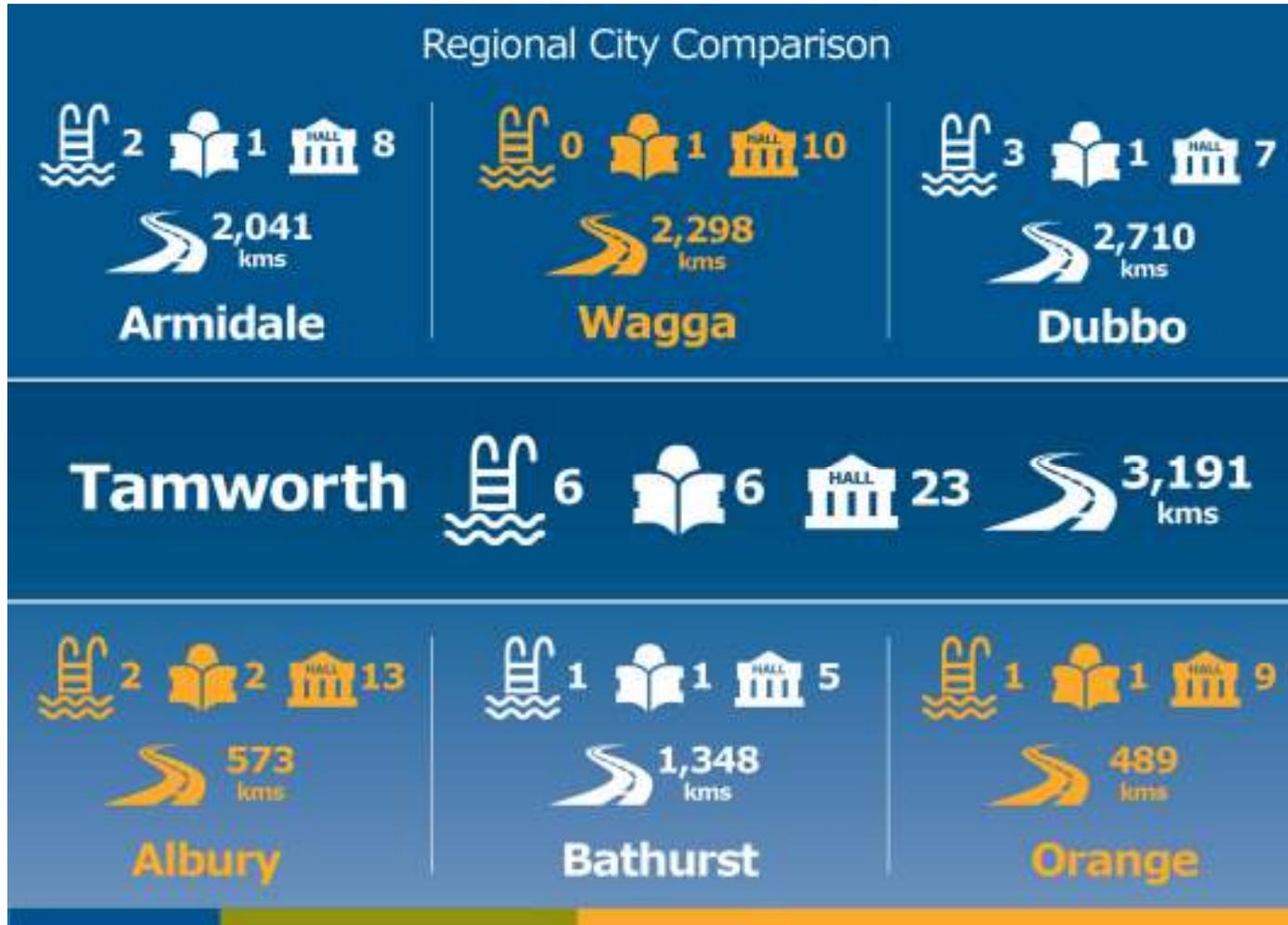
Source: National Institute of Economic and Industry Research (NIEIR) ©2016. Compiled and presented in economy.id by [id](#), the population experts.
Note: All \$ values are expressed in 2014-15 base year dollar terms.

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



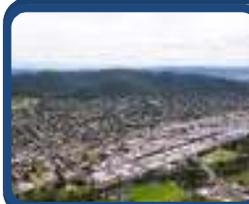
Strong reputation hosting events

- 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

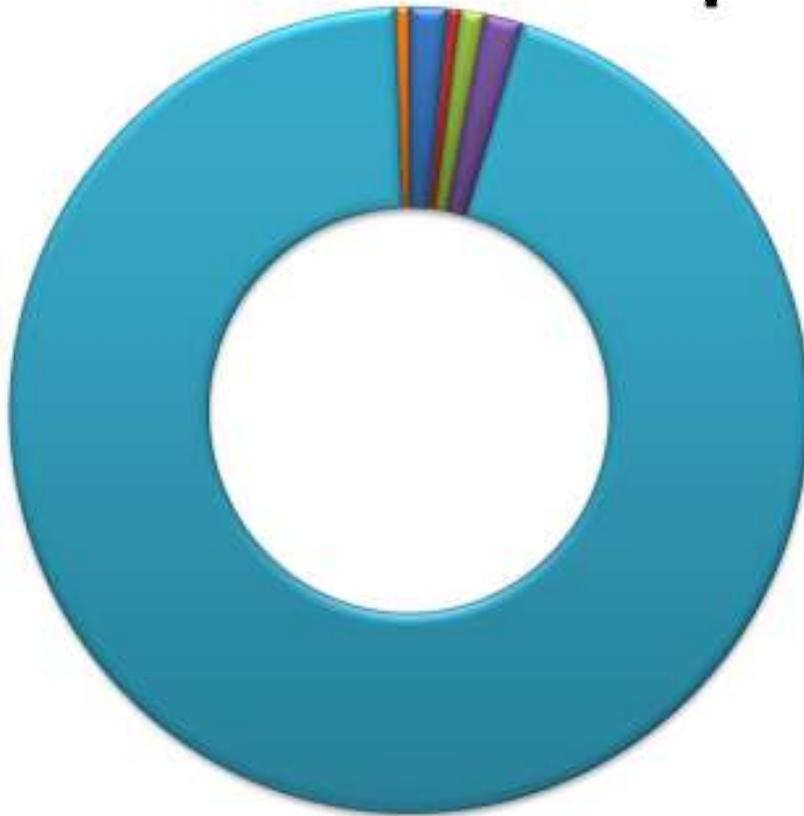
We will use economic model to determine the value of events.

- 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?



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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	CENTS IN \$	RATEABLE VALUE	AMOUNT	Deduct Payment Since:	10/07/2018
Ordinary Business - Tamworth	@ 1.207244 c in \$	1000000	\$22,637.64	Variation Base Date	01/07/2016
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?

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