

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

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

