



TAMWORTH REGIONAL COUNCIL

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993 that a **Extraordinary Meeting of Tamworth Regional Council** will be held in the **Council Chambers, 4th Floor Ray Walsh House, 437 Peel Street, Tamworth**, commencing at **5:30pm**.

EXTRAORDINARY COUNCIL AGENDA

5 FEBRUARY 2019

PAUL BENNETT
GENERAL MANAGER

Order of Business

ITEM	SUBJECT	PAGE NO
1	APOLOGIES AND LEAVE OF ABSENCE	4
2	COMMUNITY CONSULTATION.....	4
3	DISCLOSURE OF INTEREST	4
	OPEN COUNCIL REPORTS	4
4	GOVERNANCE, STRATEGY AND FINANCE.....	4
4.1	APPLICATION FOR SPECIAL RATE VARIATION FOR NEW EVENT ATTRACTION AND HOSTING.....	4
	7 ANNEXURES ATTACHED	
	1 CONFIDENTIAL ENCLOSURES ENCLOSED	

Council

Meeting Date: 2nd and 4th Tuesday of the month commencing at 6:30pm.

Matters determined by Ordinary meetings will include all those non-delegable functions identified in Section 377 of the Local Government Act as follows:

- *“the appointment of a general manager*
- *the making of a rate*
- *a determination under section 549 as to the levying of a rate*
- *the making of a charge*
- *the fixing of a fee*
- *the borrowing of money*
- *the voting of money for expenditure on its works, services or operations*
- *the compulsory acquisition, purchase, sale, exchange or surrender of any land or other property (but not including the sale of items of plant or equipment)*
- *the acceptance of tenders which are required under this Act to be invited by the council*
- *the adoption of an operational plan under section 405*
- *the adoption of a financial statement included in an annual financial report*
- *a decision to classify or reclassify public land under Division 1 of Part 2 of Chapter 6*
- *the fixing of an amount or rate for the carrying out by the council of work on private land*
- *the decision to carry out work on private land for an amount that is less than the amount or rate fixed by the council for the carrying out of any such work*
- *the review of a determination made by the council, and not by a delegate of the council, of an application for approval or an application that may be reviewed under section 82A of the [Environmental Planning and Assessment Act 1979](#)*
- *the power of the council to authorise the use of reasonable force for the purpose of gaining entry to premises under section 194*
- *a decision under section 356 to contribute money or otherwise grant financial assistance to persons*
- *the making of an application, or the giving of a notice, to the Governor or Minister*
- *this power of delegation*
- *any function under this or any other Act that is expressly required to be exercised by resolution of the council.”*

Other matters and functions determined by Ordinary Council Meetings will include:

- *Notices of Motion*
- *Notices of Motion of Rescission*
- *Council Elections, Polls, Constitutional Referendums and Public Hearings/Inquiries*
- *Ministerial Committees and Inquiries*
- *Mayor and Councillors Annual Fees*
- *Payment of Expenses and Provision of Facilities to Mayor and Councillors*
- *Local Government Remuneration Tribunal*
- *Local Government Boundaries*
- *NSW Ombudsman*
- *Administrative Decisions Tribunal*
- *Delegation of Functions by the Minister*
- *Delegation of Functions to General Manager and Principal Committees*
- *Organisation Structure*
- *Code of Conduct*
- *Code of Meeting Practice*
- *Honesty and Disclosure of Interests*
- *Access to Information*
- *Protection of Privacy*
- *Enforcement Functions (statutory breaches/prosecutions/recovery of rates)*
- *Dispute Resolution*
- *Council Land and Property Development*
- *Annual Financial Reports, Auditors Reports, Annual Reports and Statement of the Environment Reports*
- *Performance of the General Manager*
- *Equal Employment Opportunity*
- *Powers of Entry*
- *Liability and Insurance*
- *Membership of Organisations*

Membership: All Councillors
Quorum: Five members
Chairperson: The Mayor
Deputy Chairperson: The Deputy Mayor

Community Consultation Policy

The first 30 minutes of Open Council Meetings is available for members of the Public to address the Council Meeting or submit questions either verbally or in writing, on matters INCLUDED in the Business Paper for the Meeting.

Members of the public will be permitted a maximum of three minutes to address the Council Meeting. An extension of time may be granted if deemed necessary.

Members of the public seeking to represent or speak on behalf of a third party must satisfy the Council or Committee Meeting that he or she has the authority to represent or speak on behalf of the third party.

Members of the public wishing to address Council Meetings are requested to contact Council either by telephone, in person or online prior to 4:30pm the day of the Meeting to address the Council Meeting. Persons not registered to speak will not be able to address Council at the Meeting.

Council will only permit three speakers in support and three speakers in opposition to a recommendation contained in the Business Paper. If there are more than three speakers, Council's Governance division will contact all registered speakers to determine who will address Council. In relation to a Development Application, the applicant will be reserved a position to speak.

Members of the public will not be permitted to raise matters or provide information which involves:

- personnel matters concerning particular individuals (other than Councillors);
- personal hardship of any resident or ratepayer;
- information that would, if disclosed confer a commercial advantage on a person with whom Council is conducting (or proposes to conduct) business;
- Commercial information of a confidential nature that would, if disclosed:
 - prejudice the commercial position of the person who supplied it, or
 - confer a commercial advantage on a competitor of the Council; or
 - reveal a trade secret;
- information that would, if disclosed prejudice the maintenance of law;
- matters affecting the security of the Council, Councillors, Council staff or Council property;
- advice concerning litigation or advice that would otherwise be privileged from production in legal proceedings on the ground of legal professional privilege;
- information concerning the nature and location of a place or an item of Aboriginal significance on community land;
- alleged contraventions of any Code of Conduct requirements applicable under Section 440; or
- on balance, be contrary to the public interest.

Members of the public will not be permitted to use Community Consultation to abuse, vilify, insult, threaten, intimidate or harass Councillors, Council staff or other members of the public. Conduct of this nature will be deemed to be an act of disorder and the person engaging in such behaviour will be ruled out of the order and may be expelled.

Disclosure of Political Donations or Gifts

If you have made a relevant planning application to Council which is listed for determination on the Council Business Paper you must disclose any political donation or gift made to any councillor or employee of the Council within the period commencing two years before the application is made and ending when the application is determined (Section 147(4) Environmental Planning and Assessment Act 1979).

If you have made a relevant public submission to Council in relation to a relevant planning application which is listed for determination on the Council Business Paper you must disclose any political donation or gifts made to any councillor or employee of the Council by you as the person making the submission or any associate within the period commencing two years before the submission is made and ending when the application is determined (Section 147(5) Environmental Planning and Assessment Act 1979).

AGENDA

1 APOLOGIES AND LEAVE OF ABSENCE

2 COMMUNITY CONSULTATION

3 DISCLOSURE OF INTEREST

Pecuniary Interest

Non Pecuniary Conflict of Interest

Political Donations

OPEN COUNCIL REPORTS

4 GOVERNANCE, STRATEGY AND FINANCE

4.1 APPLICATION FOR SPECIAL RATE VARIATION FOR NEW EVENT ATTRACTION AND HOSTING – FILE No SF8628

DIRECTORATE: CORPORATE AND GOVERNANCE

AUTHOR: Chris Weber, Director Corporate and Governance

7 ANNEXURES ATTACHED

1 CONFIDENTIAL ENCLOSURES ENCLOSED

RECOMMENDATION

That in relation to the report “Application for Special Rate Variation for New Event Attraction and Hosting”, Council:

- (i) receive and note the report;*
- (ii) endorse Council’s application to the Independent Pricing and Regulatory Tribunal for a Special Rate Variation (SRV) for the purposes of new event attraction and hosting commencing from 1 July 2019;*
- (iii) determine that the application be for a section 508A (multi-year permanent) increase with a cumulative % increase including the rate peg of 9.55% on the total notional rate income, to be introduced over three years by % increases including rate peg of; 3.22% in 2019/20, 3.02% in 2020/21, and 3.02% in 2021/22; and*
- (iv) determine that the resultant increase in ordinary rate income be raised on all properties within all sub-categories of the Business rating category, to be introduced over the three years by % increases including rate peg of; 5.7% in 2019/20, 5.5% in 2020/21, and 5.5% in 2021/22.*

SUMMARY

Council resolved at its Ordinary Meeting on 27 March 2018, to pursue the implementation of a Special Rate Variation across all of the business rate categories to take effect from the 2019/2020, 2020/2021 and 2021/2022 financial years.

The purpose of this report is to outline the details of the application, provide feedback on the

community consultation undertaken and request the endorsement of Council to lodge the application with the Independent Pricing and Regulatory Tribunal.

COMMENTARY

In December 2017, a Mayoral Minute was lodged at the Ordinary Council Meeting asking the General Manager to investigate and report to Council on what opportunities are available to establish a permanent revenue stream for the ongoing management and attraction of major events to the Tamworth Regional Council area.

The General Manager presented his findings to Council at the Ordinary Council Meeting held 27 March 2018 (Item 9.6), recommending:

That in relation to the report “Event Management and Attraction – Revenue Opportunities”, Council:

- (i) 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;*
- (ii) determine that the Special Rate Variation be an amount of three percent per year in each of the three years and be additional to the rate pegging limit set by the State Government;*
- (iii) 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;*
- (iv) maximise funding opportunities through the State and Federal Government by Tamworth Regional Council – Ordinary Council – 27 March 2018 Page 70 identifying events and activities that qualify for subsidies under the various government programs; and*
- (v) proactively seek additional sponsorship opportunities to reduce the net cost of both existing and new events to the local community.*

Following the resolution of the above recommendation, the concept was included in Council's 2018/19 Delivery Program and Annual Operational plan (ref: P1101.03) including the associated community consultation. Council has since:

- (i) developed an Event Attraction Strategy **ATTACHED**, refer **ANNEXURE 1**;
- (ii) continued to source State and Federal government funding to offset event costs where possible. Whilst this area has and will continue to be advance it cannot be relied on for consistent revenue; and
- (iii) continued to maximise sponsorship opportunities where available. This has proven difficult in the current economic climate.

Council has also continued the pursuit of the SRV and has undertaken a significant and dedicated consultation and engagement program.

The key messages outlined through this program were that:

- (i) the SRV would only apply to properties rated with a business category and would commence from 1 July 2019;
- (ii) the SRV would be implemented at a rate of approximately 3% a year over a three year period over and above the state rate peg increase and then remain permanently after that. Including compounding this equates to a 3% plus rate peg increase in year one, a

- 3.2% plus rate peg increase in year two and a 3.5% plus rate peg increase in year three;
- (iii) the total cumulative increases without rate peg equals 9.7%;
 - (iv) the total cumulative increases with rate peg equals 17.65%;
 - (v) the amount of additional revenue to be raised through this SRV, not including the rate peg increase, would be approximately \$185,000 in year one, \$385,000 in year two and \$600,000 in year three;
 - (vi) the funds would only be used for new event attraction and hosting and would not be used to offset the cost of existing events;
 - (vii) the focus is to bring in external funds to provide additional economic stimulus;
 - (viii) the level of economic benefit provided by previous events based on economic modelling that includes direct, indirect and consumption benefits across the business community including increased casual employment allowing for funds to be spread faster;
 - (ix) events would be assessed by an expert assessment panel that would seek to maximise the returns for the events;
 - (x) previous community surveys and community engagement undertaken Council has committed Council to maintaining infrastructure and community services at existing service levels and for Council to advance this concept new funding is required; and
 - (xi) recognition that Council's business rates are well below that of the group average and this is illustrated in the table below.

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%

The consultation program resulted with:

- (i) a total of 26 events were conducted across the region including seven business breakfasts and information sessions held across Tamworth, Barraba, Manilla and Nundle along with sessions held with large retailers, key stakeholders, Rotary clubs and Lions groups;
- (ii) a fact sheet was produced and emailed to Council's economic development distribution list as well as made publically available via the online portal set-up for the SRV;
- (iii) print media campaign:

- a) Manilla Express – 13 November 2018;
- b) Barraba Gazette – 13 November 2018; and
- c) Northern Daily Leader – 10 November 2018, 12 November 2018, 13 November 2018, 10 November 2018;
- (i) a dedicated social media campaign, primarily utilising Facebook and short video messaging, was developed and rolled out for the duration of the process;
- (ii) PR campaign including:
 - a) two Prime 7 and one NBN news segments; and
 - b) 10 ABC and four 92.9 radio segments;
- (iii) community satisfaction survey undertaken by Micromex including event related questions; and
- (iv) an online engagement portal (<https://yourvoice.tamworth.nsw.gov.au/>) that provided:
 - a) an overview of the SRV, **ATTACHED**, refer **ANNEXURE 2**;
 - b) a copy of the powerpoint presentation used through the engagement sessions, **ATTACHED**, refer **ANNEXURE 3**;
 - c) a copy of the Event Attraction Strategy, **ATTACHED**, refer **ANNEXURE 1**;
 - d) a copy of the event impact assessment model, **ATTACHED**, refer **ANNEXURE 4**;
 - e) the revenue to be raised, percentage rate increases with and without the rate peg, estimated average dollar values with and without the rate peg, fact sheets and FAQ's;
 - f) a rates calculator for businesses to identify the impact for them;
 - g) a tool to lodge submissions;
 - h) an online community discussion board including answers to questions raised; and
 - i) document library of related information.

The common feedback and Council's response can be seen in the below table:

TOPIC	COUNCIL RESPOSNE
Why can't the hotel and accommodation industry be levied only?	Council is not able, in accordance with the Local Government Act 1993, 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.

TOPIC	COUNCIL RESPOSNE
It is not fair to penalise the rate payers and businesses, when there are businesses that don't have the overhead costs like airbnb 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 rateable 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 Councils. 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 investment into the region, and is an opportunity for drought recovery.
Why is the Chamber of Commerce President 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.
My business won't receive direct benefit from an event, why should I pay the rate?	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.

The conclusion from the consultation was that 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. Council 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.

Further details of the community engagement undertaken including the common feedback and Council's response can be seen in the community engagement report, **ATTACHED**, refer **ANNEXURE 5**, and attachment, **ENCLOSED**, refer **CONFIDENTIAL ENCLOSURE 1**.

Based on the above and the process that has been undertaken, it is recommended that Council proceed with the application to IPART for the purposes of new event attraction and hosting.

In accordance with IPART requirements Council is applying for a percentage increase to our total rate income. It is then up to Council to apply this increase to specific rate categories or sub-categories as deemed appropriate. The 9.55% cumulative increase to generate income will be raised by a cumulative increase 17.65% on properties with a business rating category.

Additional information available supporting Councils applications are attached as follows:

- (i) Draft IPART Application Form – Part A, **ATTACHED**, refer **ANNEXURE 6**;
- (ii) Draft IPART Application Form – Part B, **ATTACHED**, refer **ANNEXURE 7**.

(a) Policy Implications

Nil

(b) Financial Implications

All of the increased income will be expended on event attraction and should have minimal impact on financial results. All unspent funds will be held in a specific internal reserve.

(c) Legal Implications

Council resolution is required to lodge application.

(d) Community Consultation

Extensive and outlined in the community engagement report, **ATTACHED**, refer **ANNEXURE 7**.

(e) Delivery Program Objective/Strategy

P11 – Support and facilitate economic development and employment opportunities
