

ATTACHMENT

5.

Report to Council 12 March 2013

Additional Special Business Rate Variation Levy funding
application to NSW Independent Pricing and Regulatory
Tribunal

Report

Subject	Additional Special Business Rate Variation Levy funding application to NSW Independent Pricing and Regulatory Tribunal
TRIM Record No	BP13/136:EF12/572
Prepared by	Consultant
Reason	To obtain approval from Council to apply to the NSW Independent Pricing and Regulatory Tribunal for a 5 year extension of the current Additional Special Business Rate Variation Levy in the sum of \$106,500 per annum, commencing on 1 July 2013.
Community Strategic Plan Link	Sustainable Economic Growth and Development

Overview of Report

The Lismore Business Promotion Panel (LBPP) has recommended to Council that an application now be made to the NSW Government Independent Pricing and Regulatory Tribunal (IPART) to extend the current Additional Special Business Rate Variation Levy (SBRVL) after 30 June 2013 for a period of 5 years, based on the support for this action demonstrated by the Lismore Business Community.

Background

On 19 November 2012, the Lismore Business Promotion Panel recommended an extension of the Additional SBRVL for a further 5 years, to Lismore City Council. At its meeting on 11 December 2012, Council requested that comprehensive consultation with the Lismore Urban Area business community, including property owners and business owners/managers, take place regarding a Special Rate Variation application to raise \$106,500 per annum for 5 years to be spent on business promotion activities, from 1 July 2013 onwards.

The four page proposal that was circulated in the consultation process is provided as Attachment 2. Among other things this document outlines in general terms what the extended funding is for. The following is the proposed spending breakdown:

Component	Cost per annum - \$106,500
Marketing	\$35,000
Events	\$35,000
Place Making	\$19,500
Business and Community	\$17,000
TOTAL	\$106,500

The comprehensive consultation process requested by Council has been completed and as a result, unequivocal support for the continuation of the Additional SBRVL has been demonstrated by the Lismore Urban Area business community.

Consultation with the LUA Business Community

1. SCU Business School Review of the Lismore Business Promotion Program

The review was commissioned by the Lismore Business Promotion Panel in September 2012. The Review of the Lismore Business Promotion Program was undertaken by Dr Peter Vitartas and Ms Sarah Biersteker from Southern Cross Business School at Southern Cross University.

Councillors were provided with a copy of the review report on 8 February 2013. This is provided as Attachment 1 to this report.

The review was requested by the Panel in order to obtain feedback on the performance of the Program in order to identify directions for future promotional and 'revitalisation' activities in the city centre. The methodology used included:

- a literature review
- a call for public submissions (8 received)
- In-depth discussion with Panel members
- In-depth discussion with LUA business people
- Online Survey of Businesses (95 responses)
- Online Survey of Public (118 responses).

The review identified positive outcomes that have come from the Lismore Business Promotion Program as well as highlighting areas where things could be done better to enhance the Central Business District's (CBD's) image. It recognised the success of the 'Lismore – Come to the Heart' branding, the creation of an extensive calendar of events and activities ranging from community entertainment to retail promotions, and the launch of a comprehensive 'Come to the Heart' website featuring more than 450 businesses.

However, the report also noted that while members of the public who were surveyed felt CBD revitalisation activities so far had been successful, businesses didn't always feel the same. It acknowledged that communications from the Promotion Program to businesses need to improve and cautioned that businesses appeared to rely too heavily on current CBD marketing activities rather than enhancing them with promotions of their own.

The overall findings of the report supported the continuation of the Lismore Business Promotion Program and recognised that a combination of the 'Lismore – Come to the Heart' branding and year-round events and activities has been positive for the CBD.

Of particular significance to this Report is the level of business support for the continuation of the Additional SBRVL. 73% of the business survey respondents in the SCU Review supported the continuation, for the proposed 5 year period.

NOTE: the key findings from the SCU Review Final Report have been incorporated in the Lismore Business Promotion Program 2013-2015 Draft Business Plan workshopped by the LBPP at a special meeting/workshop held on 15 February 2013 and subsequently approved in order to inform the proposed Application to IPART.

2. Workshop with random sample of LUA Business

IRIS is a company based at the University of Wollongong's Innovation Campus which specialises in Local Government and Community Consultation and was commissioned by Council to assist the consultation with the LUA business community.

Communication Strategy

In early January 2013, and prior to contact from IRIS, 1080 Lismore Business Property Owners were posted a 4 page printed information bulletin, accompanied by a Mayoral cover letter. The bulletin described the proposed continuation of the current Additional SBRVL, along with an explanation of the origin and effect of the levy on continuation or cessation of the promotional levy. Recipients were informed that they might be contacted by IRIS and encouraged to consider giving their time to the workshop process.

In addition to the printed bulletin sent by post, approximately 2700 businesses received the email version of the 4 page bulletin (Attachment 2), with similar advance notice of the mid-February workshop. As well, consultant Stephen Nelson briefed the Lismore Chamber of Commerce board on the proposed communications and consultation strategy on 21 November 2012.

Print Media articles also informed business and the wider community of the proposed workshop and included a Council contact point so that any businesses that had not received the 4 page business bulletin could request that one be posted or emailed to them.

Workshop with businesses

A special workshop was held on 13 February 2013, in the Council Chambers, attended by a representative sample of the LUA business community. The purpose of the workshop was to determine the level of support, or otherwise, for the proposed 5 year extension of the current Additional SBRVL.

NOTE: Actual attendance on the day (31, from 60 positive RSVPs) confirmed earlier advice from IRIS regarding likely eventual numbers, based on the company's prior experience.

Selection Process

Working from extensive databases supplied by Council, IRIS staff members phoned Lismore property owners and business owners/managers and asked if they were willing to attend the 13 February workshop. 60 business people selected at random by IRIS accepted the invitation to attend the workshop: the invitees were from across the LUA and included business property owners, business owners and managers in the widest possible range of business sectors, including retail, professional services, real estate, banking and finance, trades and industrial services.

Workshop Process

The workshop was moderated by Council's Community Services Coordinator, Ms Annie McWilliam, assisted by Council staff, who acted as table monitors for group discussions. The workshop commenced at 8.30am sharp with a Mayoral Council welcome, followed by three separate presentations:

1. Outcomes of the promotional program to date and the effects of both discontinuing OR extending the Additional SBRVL (Consultant, Stephen Nelson)
2. Key findings of the SCU Review of the Lismore Business Promotion Program and recommendations arising (Southern Cross Business School, Dr. Peter Vitartas)
3. Detailed information on the origins, costs and administration of the original and subsequent Additional SBRVL plus a description of the process involved in making an application to IPART (Lismore City Council Manager Finance, Rino Santin).

After the last of the presentations, workshop participants were broken up into groups in order to discuss the effect on the Lismore Business Promotional Program of either discontinuing OR extending the Additional SBRV. During this 'breakout' session the three presenters were on hand to answer questions from the business people present.

Outcomes

At the close of the workshop and following on from intensive discussion among all the 'breakout' groups a vote was taken.

- 29 of the 31 business representatives present (**93.5%**) voted to extend the Additional SBRVL for a further period of 5 years.

Workshop attendees were thanked for their input and reminded that this unequivocal level of support was only one step in the process.

It should be noted that **73%** of the business survey respondents in the SCU Review, similarly supported the continuation of the Additional SBRVL, for the same period of time.

Steps required if Application to IPART approved

Should Council decide to proceed, IPART will be provided with detailed documentation of the communications strategy and the consultation process undertaken with the business community, including outcomes. The Lismore Business Promotion Panel's approval of the 2013-15 DRAFT Business Plan, will form the basis of a simplified and sequential LBP Program 5 Year Business Plan required by IPART.

Sustainability Assessment

Sustainable Economic Growth and Development

The additional SBRVL funding will boost the strategic importance of the CBD – SBRVL events, branding and promotion programs that are critical to the continuation of the CBD revitalisation.

Social Inclusion and Participation

The additional SBRVL funding will enhance opportunities for promotions of the Lismore Business Sector and assist with the critical continuation of the CBD revitalisation.

Protect, Conserve and Enhance the Environment and Biodiversity

Key initiatives / activities are not considered to have any negative effect on the environment or biodiversity. Any initiatives / activities are subject to development assessment processes incorporating environmental factors.

Best-Practice Corporate Governance

Regular monitoring of the SBRVL key initiatives / activities represents best-practice corporate governance.

Comments

Finance

If Council adopts the recommendation, a special rate variation application will be prepared and submitted to the Independent Pricing and Regulatory Tribunal (IPART). IPART would assess and determine the Council's application and advise its decision in mid-June 2013.

If approved by IPART, it is proposed that the 'Additional Special Business Rate Variation Levy' of \$106,500 for five (5) years would be collected from business rated properties (approximately 1,080) in the Lismore Urban Area. As a guide, the following table provides a guide as to the annum amount based on property valuation:

Additional SBRVL in Current Rates

Property Valuation	Amount
\$75,000	\$32
\$100,000	\$43
\$200,000	\$86
\$300,000	\$129
\$400,000	\$172
\$500,000	\$215
\$750,000	\$323
\$1,000,000	\$430
\$5,000,000	\$2,150

It is important to note that an 'Additional Special Business Rate Variation Levy' is already in place. The approval for this ceases as at 30 June 2013. This means that the rates for business rated properties (approximately 1,080) in the Lismore Urban Area must be reduced by \$106,434 in 2013/14.

As both the existing and proposed application 'Additional Special Business Rate Variation Levy' are for approximately the same amount, if the proposed application is approved they effectively offset each other.

Conclusion

If approved, the additional SBRVL will enable the marketing of Lismore's business and commercial sector to increase, expand and adapt to circumstances over the next five (5) years. It will also enhance the City Centre revitalisation process and enable non-CBD business areas in the LUA to be promoted effectively, whilst helping the Lismore Business Promotion Program to achieve its vision, which remains unaltered:

"Lismore's City Centre will be a vibrant meeting place for locals and visitors seven days a week and the most desirable location for business and pleasure."

Attachment/s

1. Southern Cross University Lismore Business Promotion Panel Review (Over 7 pages)
2. SBRVL Brochure (Over 7 pages)

Recommendation

That Council resolves that a Special Rate Variation application of \$106,500 per annum for five years commencing 1 July 2013 (2013/2014 financial year) be made to Independent Pricing and Regulatory Tribunal (IPART) as outlined in the report given the demonstrated support for the proposal by the Lismore Business Community as per the outlined consultation outcomes.