

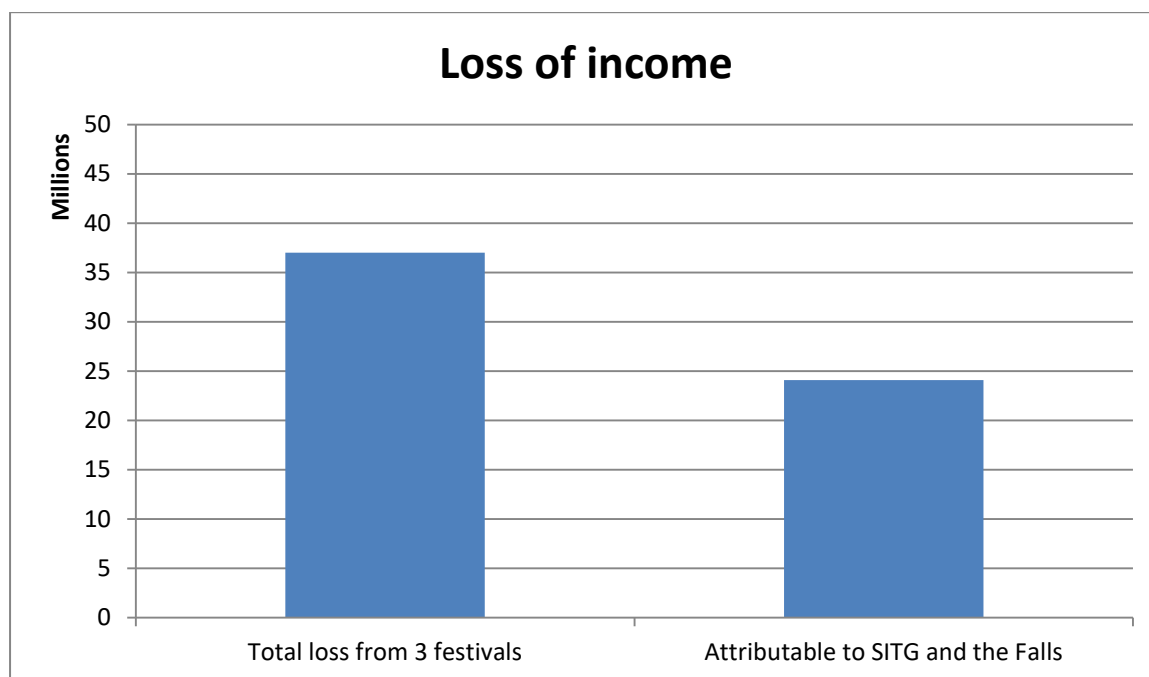
Assessing the Adverse Economic Impact of SITG and the Falls Festivals

Compiled by [REDACTED]

The local entertainment industry thrived until the explosion of the three mega-festivals in the Byron Shire (SITG, the Falls, and the Blues Festival). It provided steady and growing income for pubs, clubs, musicians and other hospitality workers. There was also extensive investment in bricks and mortar by these pubs and clubs which kept many hundreds of building workers employed.

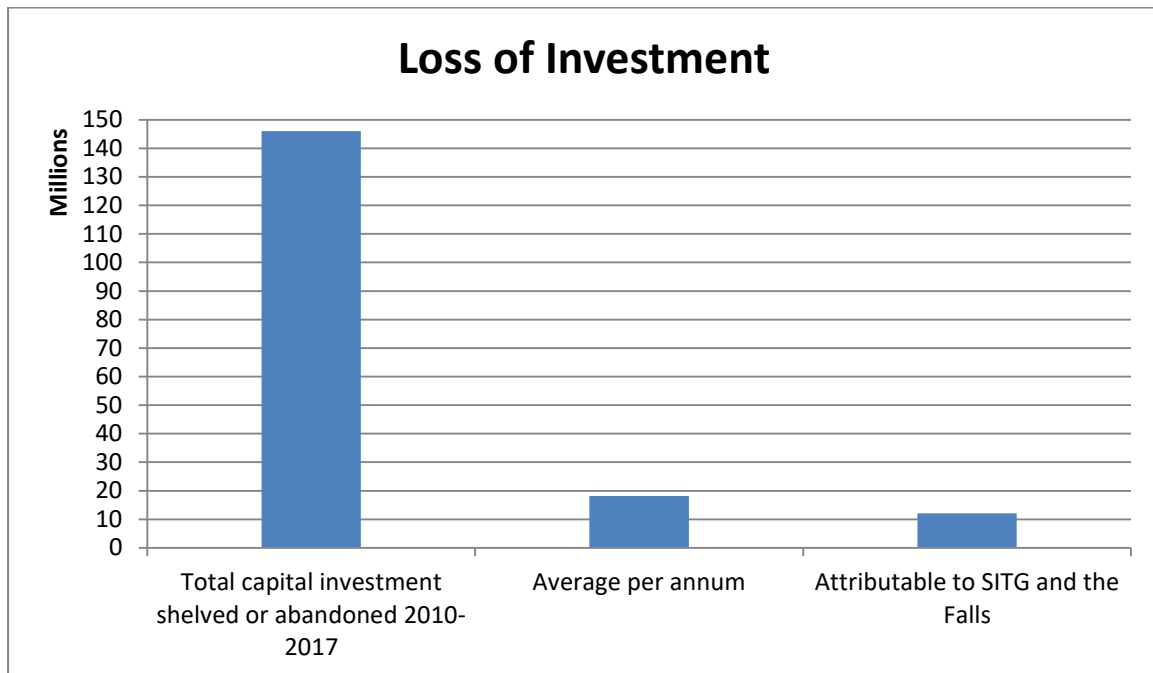
To estimate the adverse economic costs of the festivals in question, 21 managers of licensed entertainment premises in the region worst affected (between Ballina, Lismore, Murwillumbah and Tweed Heads) were surveyed in January 2018 on a number of issues. In their responses, all (100%) reported a reduction in income attributable to the mega-festivals. Some reported very significant losses because they had previously hosted large entertainment events at the times when festivals now operate. Many complained they cannot compete with the preferential treatment handed out to the festival operators regarding licensing laws, noise, parking, traffic, rating, and a host of other concerns. Twenty (95%) reported they had shelved or abandoned investment in the form of refurbishment, renovation, and other capital works as a result of the impact of the three festivals.

Annual loss of income in the 21 subject businesses was reported to be \$36,200,000, of which \$24,100,000 is attributable to SITG and the Falls. The losses were calculated from long-term trajectories derived from turnover data adjusted for changes in population and spending habits.

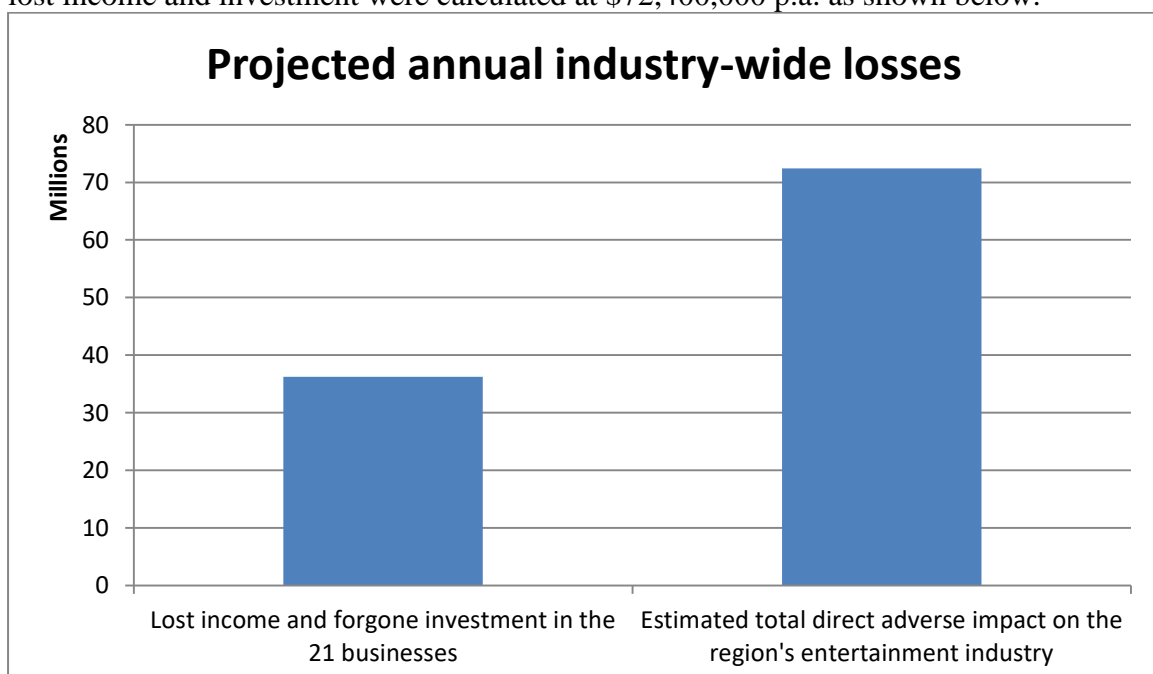


The total value of foregone investment in the form of refurbishment, renovation, and other capital works 2010 – 2017 in the subject businesses was \$146 million and is expressed

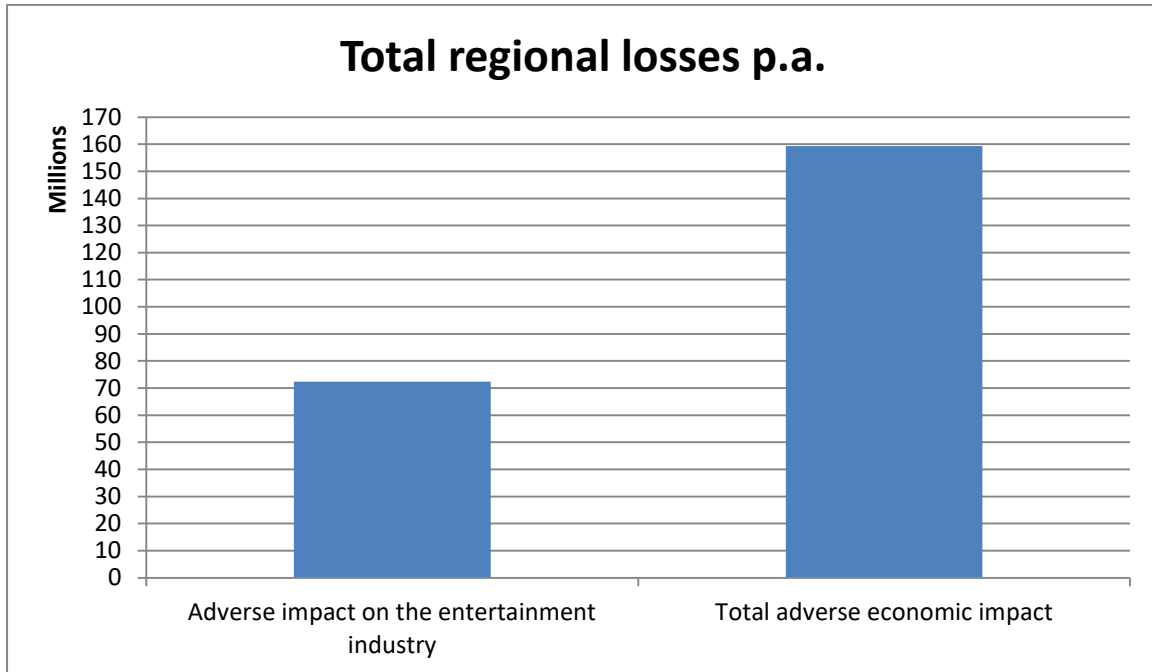
in the graph below. On average, \$18,200,000 was lost per annum, of which \$12,100,000 is attributable to SITG and the Falls.



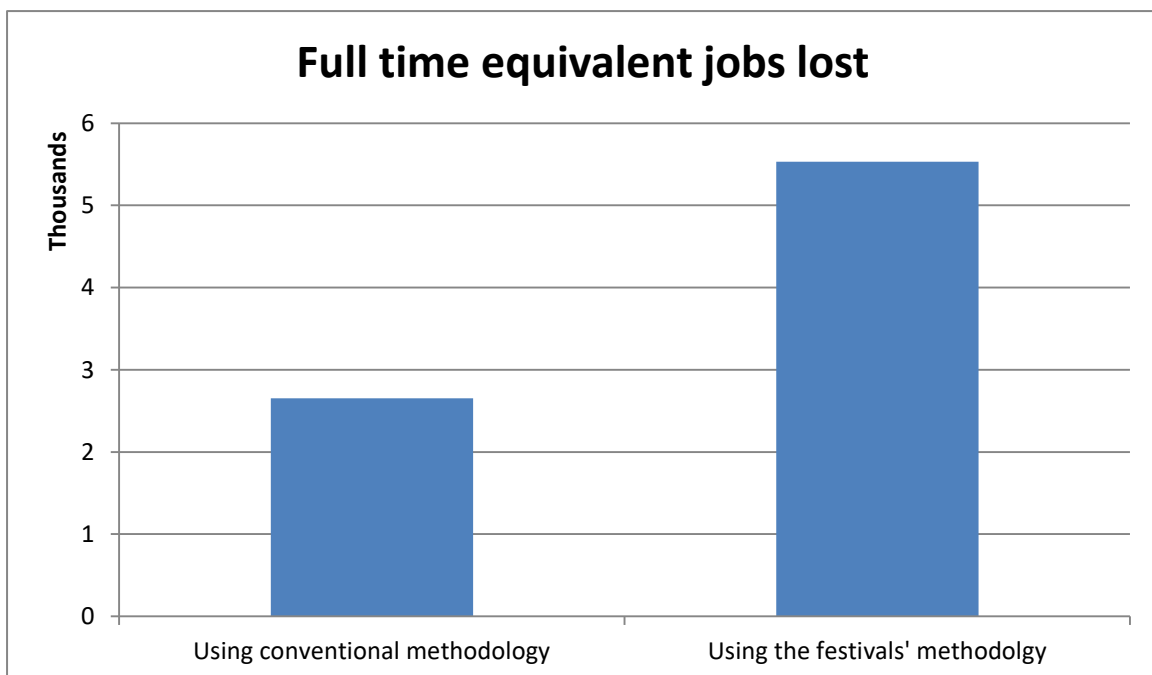
The lost income and investment amounts to \$36,200,000 p.a. in the 21 businesses surveyed. They represent approximately half the venues in the region in terms of turnover and patronage. The total annual losses to the entire local entertainment industry in terms of lost income and investment were calculated at \$72,400,000 p.a. as shown below.



The flow-on effects through supply chains and domestic consumption are given below. The economic multipliers used were obtained from the Byron Shire website.



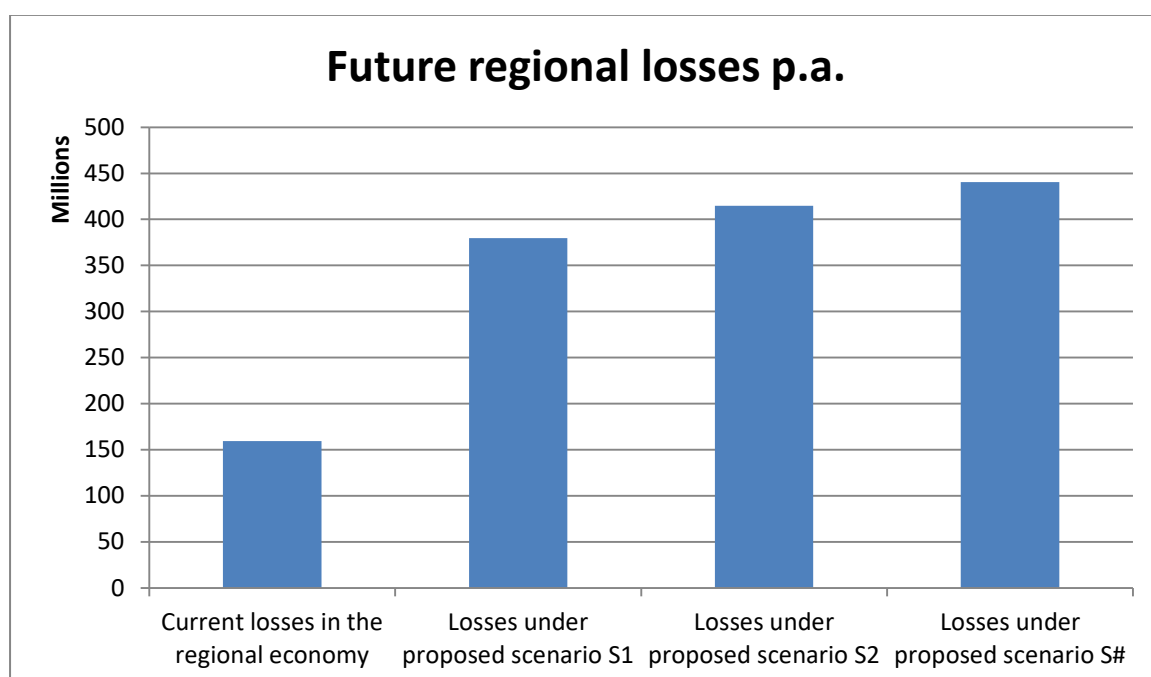
This represents the loss of over 2,500 jobs in the region, mainly in the entertainment, hospitality and building sectors, or 5,530 jobs using the methodology employed in the report commissioned by SITG and The Falls. The jobs lost were mainly permanent jobs which complied with labour laws and which were held by mums and dads, while the jobs on offer at the festivals are entirely temporary, casual, unreliable, and very low-paid. A majority of these jobs, according to the festivals, are taken by people bussed and flown in from outside the region.



If the projected trebling of festival activity at the NBP site occurs, it would treble the adverse economic impacts, since normal businesses simply cannot compete with a large multinational corporation which:

- is granted preferential planning provisions by a compliant government;
- is granted liquor licenses on terms unavailable to normal businesses;
- is not answerable to local communities or councils;
- routinely breaches laws enacted for the protection of workers, and;
- pays no tax (owned by a complicated network of trusts and offshore companies).

The projected losses to the region from the festivals' expansion are shown below.



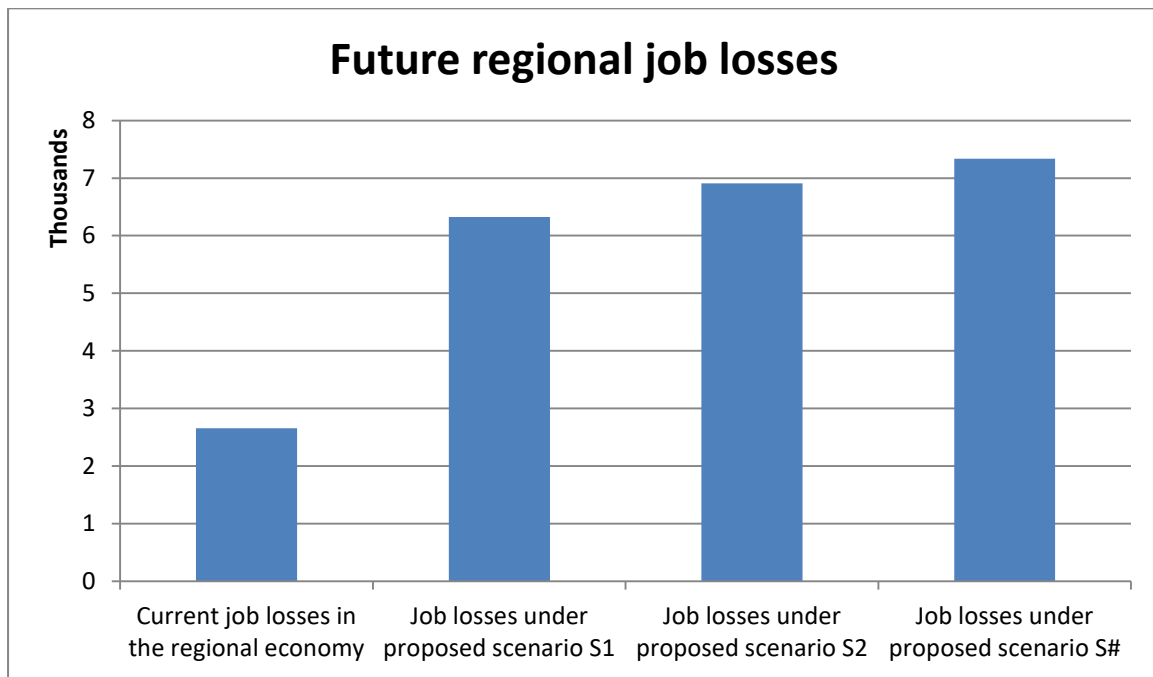
These losses to the regional economy would be equivalent to 7,337 full-time jobs lost under Scenario S3. Direct economic losses are particularly extensive in regional economies because the effects are not diluted as they are in major cities.

Limits

A number of costs borne by the local communities have not been included in these calculations.

- Since the festivals occur in rural locations, all staff, punters and equipment are trucked in and out of the site. This causes enormous congestion and damage to local roads.
- Garbage disposal.

- The large police presence required at the festivals necessarily draws police resources away from other areas of policing.
- The Byron brand is misused, causing irreparable damage, with Byron becoming associated with party drugs and all forms of excess and anti-social behaviour. This deters many of the visitors who actually have more money to spend.



Conclusion

The idea that demolishing small and medium businesses in favour of big business amounts to 'economic growth', has been widely discredited. The NSW Planning authorities should not attempt to resuscitate the notion.