

Business Incentive Policy

1 Purpose

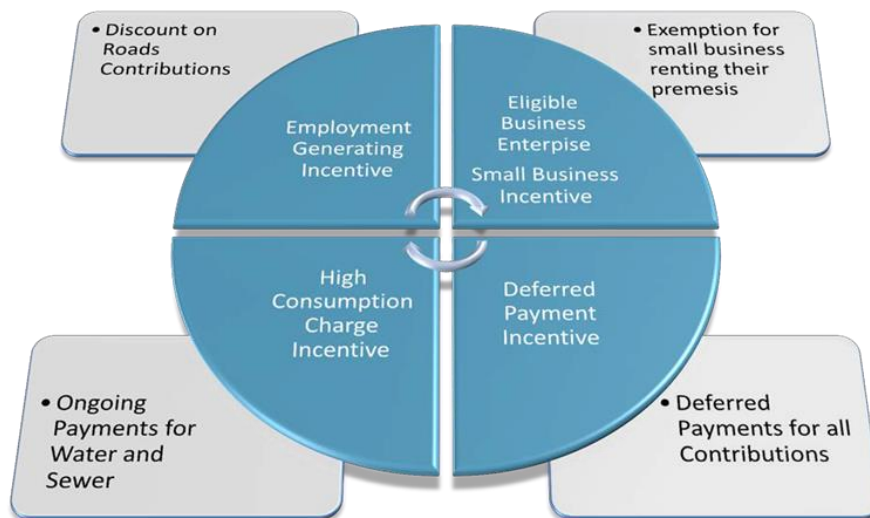
This policy encourages the development of a robust Coffs Harbour economy which is resilient to fluctuations in the economic cycle, has a broad range of business activities and supports the growth and development of sustainable employment opportunities for Coffs Harbour’s population.

Council will provide leadership and support as well as advocating on behalf of new or existing businesses to the other levels of government to attract funding and any other applicable incentives.

This policy provides a holistic approach to support business investment and reinvestment in the regional economy, when the investment would not otherwise occur. It also encourages diversification of the economy.

Coffs Harbour City Council supports business development and growth and has prepared this policy to offer a range of developer contribution and charge incentives to encourage new businesses and the expansion of existing businesses. This Policy is aimed at facilitating the development of businesses as they go through the challenging development phase.

The policy provides a range of solutions to deal with developer charges and contributions arising from the development process. This range of incentives allows for all size of businesses to take advantage of this policy. Depending on their eligibility businesses will be able to choose from the incentives shown below:



1.1 Guiding Principles

Assistance from Council to new business developments under this policy will comprise a non-cash incentive package which allows for payment by instalments of developer contributions for water supply and/or sewer services infrastructure, pursuant to Section 64 of the Local Government Act 1993 (Infrastructure Charge) and Section 7.11 of the Environmental Planning and Assessment Act 1979.

Any development relying on the incentive mechanisms under this policy accepts that the incentive program is offered in good faith and that Council reserves the right to accept or refuse any application for assistance. An application under the minimum threshold may be considered by Council provided the applicant can demonstrate extenuating circumstances.

New investment and reinvestment should result in demonstrated significant economic gain. This policy tries to encourage a diversity of small businesses to develop and grow, especially in our Central Business Districts. It also encourages businesses, developers and investors who will foster support services, employment and growth.

Under Council's Community Strategic Plan, Coffs Harbour City Council supports development that is environmentally, socially and economically responsible. Council encourages all developers and businesses to consider optimising the level of sustainability in their proposed developments.

1.2 Developer Charges and Development Contributions

Development Contributions are payments made by developers to enable Council to provide infrastructure, public amenities and services required for new residents and businesses. Section 7.11 of the Environmental Planning and Assessment Act 1979 is the principal legislation enabling Councils to levy contributions for infrastructure, public amenities and services. Section 7.11 Contributions are imposed by way of a condition of development consent or complying development.

Developer Charges are levied to assist in funding water and sewer infrastructure capital works required for growth. These capital works include water treatment plants, water reservoirs, pumping stations, sewer treatment plants etc. These Developer Charges are levied through Section 64 of the Local Government Act and administered through the Water Management Act 2000.

2 Policy

2.1 Developer Contributions – Incentives

The policy provides incentives for the establishment or reinvestment in employment generating businesses.

2.1.1 Employment Generating Incentive

Name:	Employment Generating Incentive
Type:	Discount
Delegated Approval:	General Manager
Applies to:	<ul style="list-style-type: none"> • Coffs Harbour Road Network Developer Contributions Plan 2016 (Section 7.11) • Coffs Harbour Open Space Developer Contributions Plan 2017 (Section 7.11) • Park Beach Area Developer Contributions Plan 2017 (Car Parking component Section 7.11) • Jetty Area Car Parking Developer Contributions 2016 (Section 7.11) • Coffs Harbour City Centre Car Parking Developer Contributions Plan 2016 (Section 7.11)
Eligibility:	An incentive is offered to business premises creating jobs across the local government area.
Ineligible	Residential development, including residential components of mixed use developments. The concession is not available for developments exploiting 'existing use rights' nor can Local Area Contributions be discounted by the concession.
Security:	Nil
Min. Threshold:	Nil
Incentive:	Forty percent (40%) discount. Council may review the concession on an annual basis at 1 July each year.
Application:	Applicants will need to nominate their development as an Employment Generating Development in their Development Application to Council.

2.1.2 Eligible Business Enterprise - Small Business Incentive

The policy provides incentives for the establishment or reinvestment of small businesses.

Name:	Eligible Business Enterprise
Type:	Discount
Delegated Approval:	General Manager
Applies to:	<ul style="list-style-type: none"> • Coffs Harbour Road Network Developer Contributions Plan 2016 (Section 7.11) • Coffs Harbour Open Space Developer Contributions Plan 2017 (Section 7.11) • Park Beach Area Developer Contributions Plan 2017 (Car Parking component Section 7.11) • Jetty Area Car Parking Developer Contributions 2016 (Section 7.11) • Coffs Harbour City Centre Car Parking Developer Contributions Plan 2016 (Section 7.11)
Eligibility:	A permitted change of use within established rented premises for business use.
Ineligible	Development initial construction The concession is not available for developments exploiting 'existing use rights' nor can Local Area Contributions be discounted by the concession.
Security:	Nil
Min. Threshold:	Nil
Incentive:	<p>Less than 500m² (Total GFA): 100% (Full Exemption) 501m² to 750m² (Total GFA): 75% discount 751m² to 1,000m² (Total GFA): 50% discount 1,001m² to 1,500m² (Total GFA): 25% discount Over 1,500m² (Total GFA): 0% (No Exemption)</p> <p>Note: These discounts are based on the Total Gross Floor Area of the development and are not cumulative.</p> <p>Note: This discount is in addition to any applicable Employment Generating Incentive (currently 40% discount).</p>
Application:	Applicants will need to nominate their development as an Eligible Business Enterprise in their Development Application to Council.

2.2 Developer Charges - Incentives

2.2.1 High Consumption Charge (Water / Sewer) Incentive

The policy provides an incentive to businesses undertaking further development of sites within Coffs Harbour for the establishment or expansion of that business.

Name:	High Consumption
Type:	Payment of High Consumption Charges in lieu of Developer Charges
Delegated Approval:	General Manager
Applies to:	<p>Developer Charges (Section 64)</p> <ul style="list-style-type: none"> • Development Servicing Plan For Water Supply 2017 • Development Servicing Plan For Wastewater 2017
Eligibility:	An incentive is offered to all commercial and industrial development where there is a change of use.
Ineligible	Subdivisions Development initial construction
Security:	Nil
Min. Threshold:	Nil

Incentive:	The offer by Council is to provide an opportunity for proponents to reduce their upfront establishment costs. Where a proponent of a non-residential development, with the consent of the property owner, elects to do so and it is approved by Council or where required by Council, a high water consumption charge and or a high sewerage usage charge will apply to any consumption of water or sewerage usage by the non- residential property, above the Equivalent Tenement (ET) Entitlement, in lieu of Section 64 Developer Charges. High Consumption charges to be limited to a maximum of ten years. Interest will be applied to the outstanding balance of the contributions as at 1 July each year at the rate of the current 6 month Bank Bill Swap Rate and will be taken into account in the calculation of the consumption charge which will be applied for the purpose of this incentive.
Application:	Applicants will need to nominate their development as a High Consumption Enterprise in their Development Application to Council. Applicants will need to provide the land owners consent to allow as the charge is levied against the water and sewer rates of the property.

2.3 General

2.3.1 Enhanced Deferred Payments Incentive

Name:	Deferred Payments
Type:	Deferral
Delegated Approval:	General Manager
Applies to:	<ul style="list-style-type: none"> • All Developer Contributions Plans (Section 7.11) • Developer Charges (Section 64) <ul style="list-style-type: none"> - Development Servicing Plan For Water Supply 2017 - Development Servicing Plan For Wastewater 2017
Eligibility:	Business Premises
Ineligible	<ul style="list-style-type: none"> • Residential Accommodation • Subdivisions • Community or not for profit groups • Deferred Payment Incentive of Developer Charges and Developer Contributions will only be considered for Business Premises that do not require immediate upgrading (i.e. within the terms of the instalment period) of infrastructure for the business to operate.
Security:	Agreement and Security over Assets
Min. Threshold:	\$20,001 (Section 7.11 and Section 64 Developer Contribution Amount from specific DA)
Incentive:	Combined developer contributions (Section 7.11 and Section 64) from a specific eligible development approval; Up to \$20,000: 0 Years \$20,001 to \$50,000: 2 Years \$50,001 to \$100,000: 4 Years Over \$100,000: 6 Years
Application:	Applicants will need to request Council to consider a deferred payments plan for their Development when they lodge a development application.

2.3.2 Process

The applicant will be required to enter into a written agreement with Council for deferred payments. This agreement will outline milestones, claims and deliverables that are in line with the business case originally provided as part of the application for assistance under this policy.

An investment which does not meet these thresholds may only be approved if it:

- provides a major opportunity to enhance Coffs Harbour's investment reputation,
- fills a critical gap in the supply chain for a priority sector of the economy, or
- provides broader economic and social value for a specific location.

This policy recognises and facilitates major investments that require a staged/incremental development process. The applicant must disclose all grant funds or investment incentives offered by other agencies for the same development.

2.4 Security over Assets

Council will require protection of ratepayer funds as a result of any business incentive offered under this Policy by seeking security over the assets of the business entity benefiting from the incentive.

Specifically, all deferred payments approved by Council will require the recipient to provide an unconditional bank guarantee for the full amount of any outstanding deferred monies. Alternatively Council may choose to enter into a general or specific security agreement/deed under the *Personal Property Securities Act 2009*.

The bank's obligations are discharged when payment to the Council is made in accordance with this guarantee or when council notifies the bank in writing that the guarantee is no longer required

- where a bank guarantee has been deposited with Council, the guarantee shall not be cancelled until such time as the original contribution and accrued interest are paid
- the bank guarantee is provided by an Australian bank or recognised financial institution, as determined by Council.

2.5 Agreement

In some instances Council will require an agreement to formalise the conditions of the incentives package being offered. Any internal assessment or report dealing with an application under this policy will be dealt with confidentially. Council will only enter into an agreement with the applicant or any entity entitled to act on the consent provided as assessed under the Development Application.

2.6 Bankruptcy

Council will check to determine if an applicant under this policy is currently declared bankrupt. Council will not make any offer to enter into long term financial arrangements with applicants who are currently identified as bankrupt.

2.7 Commencement

This policy will come into force at such time as appropriate amendments have been made to all relevant Section 7.11 Developer Contribution Plans and Section 64 Development Servicing Plans to cause these incentives to become effective.

This Policy will only be applicable to all development applications lodged from the date of commencement.

3 Definitions

Business Premises: has the same meaning as business premises as defined within the Dictionary of the Coffs Harbour Local Environment Plan 2013.

Developer Charges: Developer Charges in this policy refers to charges levied on approved commercial developments to contribute towards water and sewer infrastructure within the Coffs Harbour LGA. These charges are levied in accordance with Section 64 of the Local Government Act and the Water Management Act.

Developer Contributions: Developer Contributions in this policy refers to charges levied on approved commercial developments to contribute towards the road and car parking infrastructure of the Coffs Harbour LGA. These charges are levied in accordance with Section 7.11 of the Environmental Planning and Assessment Act.

Economic Gain: Is to be demonstrated by providing a business plan with projections showing the positive net economic impact to the business and/or employment growth by undertaking the development.

Residential Accommodation: has the same meaning as residential accommodation as defined within the Dictionary of the Coffs Harbour Local Environment Plan 2013.

4 Key Responsibilities

Position	Directorate	Responsibility
Mayor	Council	To lead councillors in their understanding of, and compliance with this policy
General Manager	Executive	To lead staff (either directly or through delegated authority) in their understanding of and compliance with this policy. To approve applications and execute agreements where appropriate.
Directors, Group and Section Leaders	All Directorates	To communicate, implement and comply with this policy.
Group Leader Financial Services & Logistics	Business Services	To review the assessment of applications and recommend where appropriate.
Development Contributions Co-ordinator	Business Services	To assess applications to ensure that they conform with the requirements of this policy before referring them to the Group Leader, Financial Services & Logistics.

5 References (laws, standards and other Council documents)

- Coffs Harbour Local Environment Plan 2013
- Developer Contribution Plans at <http://www.coffsharbour.nsw.gov.au/places-for-living/land-use/Pages/DeveloperContributionsPlans.aspx>
- Development Servicing Plans at <http://www.coffsharbour.nsw.gov.au/places-for-living/land-use/Pages/DeveloperContributionsPlans.aspx>
- Environmental Planning and Assessment Act 1979, Section 7.11
- Local Government Act 1993, Section 64
- MyCoffs Community Strategic Plan
- Personal Property Securities Act 2009
- Water Management Act 2000

6 Details of Approval and revision

- **Approval date: 13/09/2018**
- **Responsible Section: Financial Planning**
- **Superseded policies/procedures:**
- **Next review date: 13/09/2019**

Table of amendments

Amendment	Authoriser	Approval ref	Date