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:

- Employment Generating Incentive
- Small Business Enterprise Incentive
- Enhanced Deferred Payments Incentive

1.1 Guiding Principles

Assistance from Council to new business developments under this policy will comprise a non-cash incentive package which allows for an exemption/concession or 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

<table>
<thead>
<tr>
<th>Name:</th>
<th>Employment Generating Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type:</td>
<td>Discount</td>
</tr>
<tr>
<td>Delegated Approval:</td>
<td>General Manager</td>
</tr>
<tr>
<td>Applies to:</td>
<td>• Park Beach Area Developer Contributions Plan 2019 (Car Parking component Section 7.11)</td>
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<tr>
<td></td>
<td>• Jetty Area Car Parking Developer Contributions 2019 (Section 7.11)</td>
</tr>
<tr>
<td></td>
<td>• Coffs Harbour City Centre Car Parking Developer Contributions Plan 2019 (Section 7.11)</td>
</tr>
<tr>
<td>Eligibility:</td>
<td>An incentive is offered to commercial premises creating new jobs across the local government area.</td>
</tr>
<tr>
<td>Ineligible:</td>
<td>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.</td>
</tr>
<tr>
<td>Security:</td>
<td>Nil</td>
</tr>
<tr>
<td>Min. Threshold:</td>
<td>Nil</td>
</tr>
<tr>
<td>Incentive:</td>
<td>Forty percent (40%) discount. Council may review the concession on an annual basis at 1 July each year.</td>
</tr>
<tr>
<td>Application:</td>
<td>Applicants will need to nominate their development as an Employment Generating Development in their Development Application to Council.</td>
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</tbody>
</table>
2.1.2 Small Business Enterprise Incentive

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

| Name: | Small Business Enterprise Incentive |
| Type: | Discount |
| Delegated Approval: | General Manager |

**Applies to:**
- Park Beach Area Developer Contributions Plan 2019 (Car Parking component Section 7.11)
- Jetty Area Car Parking Developer Contributions 2019 (Section 7.11)
- Coffs Harbour City Centre Car Parking Developer Contributions Plan 2019 (Section 7.11)
- Development Servicing Plan – Water Supply 2019 (Section 64)**
- Development Servicing Plan – Wastewater 2019 (Section 64)**

**Eligibility:**
A permitted change of use within established rented premises for commercial 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: |
| 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) |

Note: These discounts are based on the Total Gross Floor Area of the development and are not cumulative.

**Note:** A maximum discount/incentive cap of $20,000 per property applies to Water and Sewer component of section 64 Developer Contributions Charges

Note: This discount is in addition to any applicable Employment Generating Incentive (currently 40% discount off car parking).

**Application:** Applicants will need to nominate their development as an Eligible Business Enterprise in their Development Application to Council.
2.2 General

2.2.1 Enhanced Deferred Payments Incentive

<table>
<thead>
<tr>
<th>Name:</th>
<th>Deferred Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type:</td>
<td>Deferral</td>
</tr>
<tr>
<td>Delegated Approval:</td>
<td>General Manager</td>
</tr>
</tbody>
</table>

Applies to:
- All Developer Contributions Plans (Section 7.11)
- Developer Charges (Section 64)
  - Development Servicing Plan for Water Supply 2019
  - Development Servicing Plan for Wastewater 2019

Eligibility: Commercial Premises

Ineligible:
- 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.

2.2.2 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.

2.3 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.

### 2.4 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.

### 2.5 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.

### 2.6 Commencement

This policy will come into force only upon Council’s resolution to adopt the policy which is stipulated in section 6 of this policy document.

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

### 3 Definitions

**Commercial Premises:** has the meaning as commercial premises as defined within the Dictionary of the Coffs Harbour Local Environment Plan 2013, with the inclusion of additional land-uses as follows; amusement centres, entertainment facilities, function centres, registered clubs, restricted premises, sex services premises, health services facilities, early education and care facilities, veterinary hospitals, wholesale supplies, artisan food and drink industries, information and education facilities, recreation facilities (indoor), and hotel or motel accommodation.

**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

<table>
<thead>
<tr>
<th>Position</th>
<th>Directorate</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor</td>
<td>Council</td>
<td>To lead councillors in their understanding of, and compliance with this policy</td>
</tr>
<tr>
<td>General Manager</td>
<td>Executive</td>
<td>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.</td>
</tr>
<tr>
<td>Directors, Group and Section Leaders</td>
<td>All Directorate</td>
<td>To communicate, implement and comply with this policy.</td>
</tr>
<tr>
<td>Group Leader Financial Services &amp; Logistics</td>
<td>Business Services</td>
<td>To review the assessment of applications and recommend where appropriate.</td>
</tr>
<tr>
<td>Development Contributions Co-ordinator</td>
<td>Business Services</td>
<td>To assess applications to ensure that they conform with the requirements of this policy before referring them to the Group Leader, Financial Services &amp; Logistics.</td>
</tr>
</tbody>
</table>

5 References (laws, standards and other Council documents)

- Coffs Harbour Local Environment Plan 2013
- 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

- Original Approval date: 13/02/2020
- Responsible Section: Financial Planning
- Superseded policies/procedures:
- Next review date: 13/09/2021

Table of amendments

<table>
<thead>
<tr>
<th>Amendment</th>
<th>Authoriser</th>
<th>Approval ref</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amendment to Policy offering – extending provisions to water and sewer contributions charges under the Small Business Enterprise Incentive with the inclusion of a maximum discount cap of $20,000. The removal of the High Consumption incentive.</td>
<td>Council resolution</td>
<td>2019/192</td>
<td>14/11/2019</td>
</tr>
<tr>
<td>Amendment to Policy wording and definition to broaden the types of eligible business pertaining to the Employment Generating &amp; Enhanced Deferred Payments Incentives</td>
<td>Council resolution</td>
<td>2020/20</td>
<td>13/02/2020</td>
</tr>
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