

Policy
Business Investment

Draft Version 1.0

Division: General Manager

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Policy Objective

This policy seeks to encourage the development of a robust Tweed economy which is more resilient to fluctuations in the economic cycle, has a broader range of business activities and supports the growth and development of sustainable employment opportunities for Tweed Shire's population.

It encourages a holistic approach to support business investment and reinvestment in the regional economy, when the investment would not otherwise occur.

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.

Diversification of the economy, attracting new investment and supporting existing local businesses are important aspirations for Tweed Shire, in line with the *Tweed Community Strategic Plan 2013/2023*.

Policy Background

The *Tweed Community Strategic Plan*: Strengthening the Economy objectives include:

- Objective 3.1 - Expand employment, tourism and education opportunities.
- Objective 3.2 - Retain prime agricultural land, farm viability, manage rural subdivision and associated landscape impacts.
- Objective 3.4 - Provide land and infrastructure to underpin economic development and employment.

Within those objectives are the specific strategies:

- 3.1.5 - Support innovative employment generating projects.
- 3.1.6 - Support creative practitioners and entrepreneurs to access professional and business development opportunities, to enhance their contribution to the creative economy.
- 3.1.7 - Establish planning controls that support businesses and promote the growth of home-based industries.
- 3.4.1 - Ensure an adequate supply of industrial and commercial lands to promote employment and business opportunities.
- 3.4.2 - Ensure sustainable provision of infrastructure (utilities, services and transport) is available to support economic development.
- 3.4.4 - Support the creation of a vibrant self-sufficient retail network that fully services the local community.

Council will develop within the organisation:

- A culture of investment facilitation.
- A service ethos that gives investors confidence.

Council will foster a reputation that it:

- Values business investment.

- Will be an effective facilitator whose goal is that investment is brought to fruition in a timely and cost-effective manner for the investor.

Policy

The Business Investment Policy provides the strategic context and governance platform to support Council's economic development strategies as outlined with *Tweed Community Strategic Plan*.

This policy defines:

- Investment attraction and its relevance to Council's *Community Strategic Plan* and *Delivery Program*.
- The circumstances in which investment attraction activities will be provided.
- The scope for investment attraction activities and the range of incentives that can be considered.
- The consultation, assessment (including the risk/security for Council), approval, reporting and monitoring arrangements to apply, to ensure the policy administration occurs in a transparent and accountable manner.

The policy applies to all dealings with commercial entities to leverage new investment and reinvestment in the Tweed Shire and create new employment opportunities.

It does not apply to:

- The administration of community grants.
- Sponsorships, donations, advertising, naming rights, service level agreements or joint ventures.
- Dealing with commercial entities that primarily relate to growth-dependent investment in residential and/or retail developments.
- Dealing with commercial entities primarily responsible for delivering Council-owned assets.
- Dealing with commercial entities contracted by State or Federal Government agencies or Government owned corporations to deliver infrastructure or services.

Council's investment attraction activities include discretionary incentives based on a case by case assessment of whether there will be a sufficient economic gain for the community or Tweed Shire as a whole, as well as a suite of non discretionary fixed incentives for employment generating development.

Guiding principles - discretionary

New investment and reinvestment will only be proactively encouraged when economic value is created. It will not be encouraged when it might erode value to the region, such as creating competition with existing local business - except when such competition is likely to occur regardless of the investor's location or is in the interest of the community

Resources will not be directed to:

- Growth-dependent investment.
- Circumstances in which such investment would occur without Council intervention.

Council will only apply the incentives set out under this policy to attract investment or reinvestment when it identifies that the opportunity has sufficient strategic merit, such as:

- The creation of significant additional employment.
- A contribution to the supply chain for an existing sector.
- Potential flow-on effects to other sectors.
- A service needed by a particular community or geographic area.

As part of its Charter under the *Local Government Act 1993* (section 8), Tweed Shire Council must demonstrate ecological sustainability through all aspects of its operations. In its endeavours to become a community leader in ecological sustainability Council encourages all developers and businesses to consider optimising the level of sustainability in their proposed developments. The applicant will need to demonstrate measures they will put in place, and efforts to deliver, ecological sustainability through;

- Waste minimisation
- Water efficiency
- Energy efficiency

Methods of assistance - discretionary

Assistance from Council 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).

Payment by instalments of the Infrastructure Charge will only be considered at business locations that do not require immediate upgrading (i.e. within the terms of the instalment period) of infrastructure for the business to operate.

1. Water and Sewer Contribution (S.64 Developer Contributions)

Incentives may only be considered for an approved investment if the following criteria are met:

NOTE: Use the highest met criteria from either table to achieve a greater deferral period.

Qualifying Thresholds	Water and Sewer Contribution (S.64) Period of instalment plan	
	<i>Incentive for qualifying in both categories</i>	<i>Incentive for qualifying in one category only</i>
Equivalent Full Time Positions *		
< 5 EFT		Payable over 2 Years
5 EFT to 15 EFT	Payable over 4 Years	Payable over 3 Years
> 15 EFT	Payable over 6 Years	Payable over 4 Years
Capital Investment in Development **		
< \$250,000		Payable over 2 Years
\$250,000 to \$1.5 million	Payable over 4 Years	Payable over 3 Years
> \$1.5 million	Payable over 6 Years	Payable over 4 Years

* *Equivalent Full Time Positions* means total employee hours for week divided by 38.

** *Capital Investment Amount* excludes land value.

Processes - discretionary

The applicant will be required to enter into a written agreement with Council for any discretionary incentives offered. This agreement will outline milestones, annual returns justifying employment and 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 Tweed Shire'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.

Any development relying on the incentive mechanisms under this Policy accepts that the incentive program is offered in good faith and that the applicant has not combined any other offers of assistance offered by Council for the same parcel of land, development or subject matter. The applicant must disclose all grant funds or investment incentives offered by other agencies for the same development.

Security over Assets (if required)

Council may further protect 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, where an incentive is approved by the Council in relation to the Infrastructure Charge, and the total amount of the Infrastructure Charge (i.e. the sum of all instalment amounts) exceeds \$50,000, the Council may require the business to enter into a general or specific security agreement/deed under the *Personal Property Securities Act 2009*¹.

Methods of assistance - non discretionary

1. Tweed Roads Contribution Plan (TRCP) (S.94 Developer Contributions)

Concessions and staged payment offered in relation to the contributions required under section 94 of the *Environmental Planning and Assessment Act 1979*, Developer Contributions Plan 4 (dated January 2012) include:-

Concessions:

A concession is offered to all commercial job creating **developments (not including detached housing and unit developments)**, across the Shire except in the following areas:

- a) coastal development between Kingscliff and Bogangar (Sector 7): Casuarina, Kings Forest, Salt, and the 'Tourist Property' (Lot 490 DP 47021); and

¹ The Infrastructure Charge, levied as a developer charge under section 64 of the *Local Government Act 1993*, is a charge on the land [see section 355 of the *Water Management Act 2000*]. As a matter of due diligence, Council should, in circumstances where the quantum of the Infrastructure Charge (section 64 developer charge) is significant, and possibly may even exceed the land value, obtain a land valuation in order to properly consider whether further security is required to protect the Council's interests.

b) developments in Bilambil Heights and Cobaki.

These areas are depicted in Schedule 3 of the TRCP

The concession is not available for developments utilising 'existing use rights' as defined in Clause 3.6.1 of the TRCP, and nor can Local Area Contributions (see TRCP: Clause 3.2.2) be discounted by the concession.

The offer by Council stands at forty percent (40%) - [50% for eligible businesses that are issued with an Occupation Certificate in the period 1/1/2013 - 31/12/2013], and Council may review the concession on an annual basis at 1st July each year.

Staged Payments:

Council accepts staged payment of commercial contributions: four (4) equal payments over three (3) years consisting of an initial payment and three subsequent payments together with a bank guarantee in accordance with Clause 2.9 (TRCP) as security, although other options that protect Council's interest may be acceptable.

Eligible Business Enterprises

Eligible Business Enterprises may be excluded from the need to make TRCP payments. The application of this concession is defined by resolution of Council. Details can be obtained from Council's Development Assessment Unit. Final determination of the application of this concession is at the discretion of the Director Planning and Regulation.

Eligible Business Enterprises are defined as retail, commercial and light industrial, change of use, activities to be established in rented premises with a gross floor area of not more than 1,000m². Professional chambers are not included in the definition.

Concessions and staged payment offered in relation to the Section 94 Developer Contributions Plan 4 - Tweed Road Contribution Plan can be located within the plan at item 3.1

2. Other Delayed payments

In regard to new development applications for building works, where there is a requirement for payment of Section 64 and Section 94 contributions, consent conditions for such payments will designate payment to be made prior to issue of Occupation Certificate as opposed to the earlier Construction Certificate stage.

3. Economic Development Role

Council's Economic Development Unit will provide a single point of entry to Council for new business investors or reinvestment proponents and develop strategies and plans by effectively engaging with local groups and individuals.

A key part of the role is to ensure an integrated and sustainable approach to the economic development needs of the Shire whilst liaising with property owners, businesses and business groups to remain up to date on matters relevant to Tweed's economic development.

Roles and Responsibilities

Council

Tweed Shire Council will be responsible for,

- determining all discretionary applications presented by the General Manager
- authorising the General Manager to enter into any agreement to provide assistance approved, by the Council, under this policy

General Manager

The General Manager will be responsible for;

- Implementing this Policy and ensure compliance by all employees of Council
- Reporting all eligible discretionary applications to Council for their consideration
- Execution any agreement, under delegation, for assistance under this policy

Approval

Any assistance provided under this policy requires individual resolution of Council for discretionary incentives. Council reserves its right to refuse any discretionary application made for assistance under this policy.

Developing Relationships and Partnerships

Council will give priority to building strong relationships with peak representational bodies to:

- Develop a coherent communication strategy on Tweed Shire's investment potential
- Foster support for activities to build the Tweed's economy.

Measurements of success

Council's success in achieving the objectives of this policy and the objectives of the Community Strategic Plan and Delivery Program will be measured annually by:

- The number of employment opportunities established through Council's effort to support investment and reinvestment in Tweed Shire.
- The value of new investment secured in Tweed Shire.
- Percentage adjustments in the workforce profile in target sectors.
- Client satisfaction with the investment support service provided by Council.
- The value of investment and employment retained in the region.

A report will be provided to Council during the annual reporting process, evaluating Council's success based on each of these performance measures.

Review Period

This policy will be reviewed on the adoption by Council of any new or reviewed Economic Development Strategy.

Useful Links

Tweed Community Strategic Plan and Delivery Plan -

<http://www.tweed.nsw.gov.au/IntegratedReporting/Default.aspx>

Section 64 Developer Charge Plan -

<http://www.tweed.nsw.gov.au/PlanDevBuild/PlanningS64Plans.aspx>

Section 94 Contribution Plans -

<http://www.tweed.nsw.gov.au/PlanDevBuild/PlanningS94DeveloperContributions.aspx>

Environmental Planning and Assessment Act 1979

http://www.austlii.edu.au/au/legis/nsw/consol_act/epaaa1979389/

Local Government Act 1993 -

<http://www.legislation.nsw.gov.au/fullhtml/inforce/act+30+1993+CD+0+N>

Appendix 1

Internal Roles and Responsibilities

Infrastructure Coordination Committee

The Infrastructure Coordination Committee will be responsible for;

- Reviewing applications and providing recommendations to the General Manger
- Reviewing due diligence and cost modelling for each application

Business and Economic Development Unit

Council's Business and Economic Development Unit will be responsible for;

- facilitating Council's business investment assistance program for new business investors or reinvestment proponents
- Understanding and managing investors' information needs
- Ensuring Council's expectations are understood by investors
- Helping to resolve issues between Council and the investor
- Ensuring timely responses from Council
- Providing clients with ongoing support

The Business and Economic Development Unit will not be involved in the statutory assessment processes or statutory compliance matters associated with Council's regulatory functions.

Financial Services Unit / Water Unit

Council's Financial Services Unit / Water Unit will be responsible for;

- Providing the Infrastructure Coordination Committee a forecast of the financial impacts to Council of application for deferred payment under this policy.



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