

<b>POLICY NAME</b>	Economic Development Policy
<b>DIRECTORATE</b>	Economic Development and Tourism

## 1. INTRODUCTION

### 1.1 What is Local Economic Development

*“The purpose of local economic development (LED) is to build up the economic capacity of a local area in order to improve its economic future and the quality of life for all. It is a process by which public, business, and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. The success of a community today depends upon its ability to adapt to the dynamic local, national, and international market economy.” – World Bank – Local economic development: a primer developing and implementing local economic development strategies and action plans (2006)*

### 1.2 Policy Purpose

- a) Council plays an important role in facilitating and attracting business investment to the City of Albury. Council’s continued focus is on jobs and economic growth; the promotion of Albury as a business location; providing strategic support for business development initiatives; project facilitation; regional advocacy on economic development issues; and ensuring an integrated approach to planning and economic development.
- b) This Policy outlines the services available from Council to potential investors, business owners and operators, including the discretionary means by which Council may offer financial and other incentives to attract or support eligible business investment, jobs growth or economic diversity as well as the ability to work with other levels of government to achieve overall benefits. These services may assist in securing investments that deliver significant net economic and community benefit to the City.

### 1.3 Terms and Definitions used in this Policy

In this Policy:

- a) **Activity** means the business type and usual activities associated with the operation of the business.
- b) **Applicant(s)** means the business director, owner or authorised representative applying for support under the terms of this Policy.
- c) **Application Approval Date** means the date the application for support under the Economic Development Incentive Program is granted.
- d) **Construction Certificate** means a construction certificate issued by a consent authority, Council or a principal certifying authority as referred to in section 109C (1) (b) of the EP&A Act.
- e) **Council** means Albury City Council and its successors.
- f) **Council Officer(s)** means any staff member employed by Council.
- g) **Councillor(s)** means the individual(s) elected under the Local Government Act 1993 to represent the Albury constituents and participate in the decision making process of Council.
- h) **Economic Development Staff** means any staff member employed by Council in its Economic Development team.

- i) **EDIP** means the Economic Development Incentive Program outlined in this Policy.
- j) **EP&A Act** means the Environmental Planning and Assessment Act 1979.
- k) **Lobbying** means communication between current Councillors and the community that includes representations by groups or individuals with a direct interest and/or advocates acting on behalf of the Applicant(s), with the intention of influencing a Council decision.
- l) **Manex** means the Executive Team of Council comprising the General Manager and Directors.
- m) **Occupation Certificate** means a final certificate (of occupancy) issued by a consent authority, Council or a principal certifying authority as referred to in section 109C (1) (c) of the EP&A Act.

#### 1.4 Policy Intent

- a) To provide a broad and strategic policy framework that allows Council to be agile, flexible and responsive in considering the opportunity to provide incentives to major investment and job creation Activities, whilst still ensuring openness and transparency in respect of the parameters of such and equitable access, providing the eligibility criteria is met.
- b) The Policy aims to assist Council in its endeavours to attract, facilitate and encourage investment to the Albury Local Government Area (Albury LGA) so as to stimulate growth with specific focus on:
  - i. articulating the strategies for the Albury LGA;
  - ii. investigating new areas of business opportunity;
  - iii. helping to create a positive environment for business growth;
  - iv. facilitating new investment (including exploring options for public-private partnerships);
  - v. implementing a program to attract new businesses and government organisations;
  - vi. providing ongoing support to Albury LGA marketing and tourism;
  - vii. engaging in strong advocacy to secure support for infrastructure from the State Government and the Commonwealth Government;
  - viii. creating new jobs and investment;
  - ix. providing a key local or regional service;
  - x. providing a significant boost to the local economy;
  - xi. building economic resilience through diversity.

#### 1.5 Policy Objectives

The objectives of this Policy are to ensure that:

- a) Council officers can clearly articulate the broad range of support mechanisms which are available to potential investors, including where the proposed investment meets the Policy criteria for the discretionary EDIP;
- b) an approved process is available for Applicants seeking support under the EDIP;
- c) the desired outcomes of the Activity proposed for support under the EDIP are clear, monitored and evaluated;
- d) use of the EDIP is fair and equitable, and proportionate to the economic benefit and/or number of jobs to be created;
- e) approval of the EDIP is transparent and undertaken within a system that fosters public confidence and value for money;
- f) Applicants of the EDIP understand their roles, obligations and reporting requirements;

- g) Applicants understand the in-depth degree of business financials, employment, planning and associated projections they will be required to provide, prior to applying for support under the EDIP;
- h) Applicants understand granting of the EDIP is discretionary and whilst Council may provide a range of support services outlined in this Policy, the granting of the EDIP is not guaranteed;
- i) Council fulfils its legislative requirements under sections 356 and 377 of the *Local Government Act 1993*, including program identification and budgetary allocations being incorporated in the 4 Year Delivery Program.

## **2. SCOPE OF POLICY**

- a) This Policy applies to Applicants who are considering expanding, relocating or establishing new facilities, or investing capital in existing facilities within the Albury LGA.
- b) This Policy applies to all Councillors, Council Officers and agents of Council involved in economic development activities specific to Council.
- c) This Policy outlines the range of services that Council offers to Applicants, as well as the eligibility criteria and formal process by which applications for the EDIP may be made.

## **3. ECONOMIC DEVELOPMENT SUPPORT SERVICES**

Economic Development Services offered by Council include, but are not limited to:

- a) the availability of a dedicated business assistance contact;
- b) property location assistance;
- c) guided familiarisation tours;
- d) assistance with business case development through the provision of specific data and/or information;
- e) the provision of Albury LGA's economic profile and related business and demographic reports;
- f) assistance with the Council development application process;
- g) business and industry networking, introductions, staff training and support in conjunction with Albury Northside Chamber of Commerce;
- h) support in accessing State and Commonwealth Government support programs and packages;
- i) the provision of financial assistance to eligible Applicants through the EDIP.

## **4. ECONOMIC DEVELOPMENT INCENTIVE PROGRAM (EDIP)**

### **4.1 Guidelines**

- a) The EDIP is a discretionary scheme which seeks to attract, expand and support business Activities that will deliver significant benefits to the Albury LGA.
- b) Economic Development Staff will outline and discuss the complimentary Economic Development Services available to all potential investors.

- c) The EDIP is specifically designed for Activities that:
  - i. operate within existing regional industry sectors of strength or contribute to economic diversification;
  - ii. adhere to sustainability practices and are environmentally and socially responsible;
  - iii. provide a significant net economic and social benefit to the Albury LGA;
  - iv. align with identified strategic growth plans for the Albury LGA.
- d) The level of assistance offered under the EDIP will be proportionate to the level of investment and contingent upon delivery of specified economic impact and jobs growth.
- e) The quantum of any State or Commonwealth Government assistance being provided to the Applicant for the proposed activity will also be a consideration.
- f) The granting of the EDIP and its quantum will be determined by Council.
- g) The EDIP may include one or more of the following:
  - i. a rebate on developer contribution fees;
  - ii. rate and/or charges rebates;
  - iii. extended settlement terms for land purchased from Council;
  - iv. a reduction or rebate on the price of land purchased from Council;
  - v. a rebate on rent or occupation fees for land leased or licensed from Council.
- h) Successful EDIP applications will be entered into Council's Accounting Management System, and may result in taxation implications. This will allow reporting of financial assistance provided and ensure third party obligations are met.

## 4.2 Eligibility Criteria

The following mandatory criteria will be applied in considering eligibility for funding under the EDIP:

- a) the Applicant must be a legal entity and have an Australian Business Number (ABN) or Australian Company Number (ACN);
- b) the Applicant must demonstrate that the Activity will:
  - i. create significant Full Time Equivalent (FTE) jobs; and/or
  - ii. the Applicant must demonstrate that the Activity will result in significant capital expenditure; and
- c) the Applicant must have been undertaking the Activity on a profitable basis for at least the last two (2) financial years; and
- d) all Directors/Owners of the Applicant must have a successful and proven track record and be capable of carrying out all aspects of the proposed Activity (technical, managerial and financial); and
- e) the proposed Activity must be demonstrated to be commercially viable in the absence of any financial support provided by Council; and
- f) any development associated with the Activity must be located within the Albury LGA; and
- g) the proposed Activity must not cause significant detriment (in the absolute discretion of Council) to existing businesses located within the Albury LGA; and
- h) development applications in relation to the Activity must be received by Council after the date of Policy adoption.

## 4.3 Exclusions

The following exclusions apply in determining eligibility for the EDIP:

- a) the EDIP is not available for Activities being undertaken by a State or Commonwealth Government agency, department, service provider or their nominated representative; or
- b) Applicants already in receipt of financial incentives from Council are ineligible for further incentives under this Policy; or
- c) Applications for Activities to be undertaken outside of the Albury LGA will not be considered;
- d) Applications for this incentive are not retrospective and will not be available where development applications are received by Council prior to the date of Policy adoption; and
- a) Any unauthorised communication or lobbying of Councillor(s) and/or Council Officer(s) by the Applicant, their agents and/or advocates in relation to the application process will result in applications being disqualified from consideration.

#### **4.4 Rescissions**

Council reserves the right to rescind, at any time, any offer of payment or incentive under the EDIP in the event that:

- a) the Applicant does not adhere to all agreed terms and conditions, including reporting requirements, prescribed under the EDIP agreement; or
- b) the key outcomes identified in the EDIP agreement are not achieved within a 2 years of the Application Approval Date; or
- c) any information provided by the Applicant during the assessment process is found to be false, misleading or inaccurate; or
- d) the Applicant, their agents and/or advocates are found to have undertaken any unauthorised communications or lobbying of Councillor(s) or Council Officers in relation to the application.

#### **4.5 Application process**

Application for the EDIP consists of the following process:

- a) **Stage 1 – Expression of Interest**
  - i. The Applicant must contact Council's Economic Development Team for a confidential discussion regarding eligibility for support under this Policy.
  - ii. Council staff will provide an overview of the options available, and outline eligibility requirements for applications under the EDIP.
  - iii. Applicants must submit a preliminary proposal for consideration outlining details of the proposed Activity including investment, job creation, concept designs and a statement in relation to current and proposed financial viability.
  - iv. A preliminary assessment report will be prepared by the Economic Development Team and considered by Manex. If endorsed the Applicant will be invited to proceed to Stage 2.
- b) **Stage 2 – Application Lodgement**
  - i. Applications for support under the EDIP must be received in writing using the prescribed Application Form.

- ii. Applications must be accompanied by documented evidence satisfying the eligibility criteria outlined in 4.2 and giving consideration to the Program guidelines specified in 4.1.
  - iii. Applicants must provide any additional information requested by Council in relation to the EDIP application.
  - iv. The application will undergo a rigorous assessment to ensure there is a sound basis for financial assistance, proportionate to the degree of economic uplift from the proposed capital investment and jobs growth.
  - v. A final Commercial-in-Confidence assessment report, including recommendations on the nature and quantum of assistance to be provided will be prepared by Manex for consideration by Council.
  - vi. Council will consider the merits of the final assessment report in a closed meeting (either scheduled or extraordinary at the discretion of Council), to ensure the commercial position, operating advantage or trade secrets of the Applicant are not prejudiced.
- c) **Stage 3 – Incentive Payment**
- i. An EDIP Agreement will be prepared and executed by the parties outlining the terms and conditions of the financial assistance to be provided by Council.
  - ii. EDIP payments will be calculated with reference to the value of the Construction Certificate associated with the Activity (where relevant).
  - iii. Payments will not be made prior to issuing of the Occupation Certificate (where relevant).
  - iv. EDIP applications approved on the basis of job creation will require evidence of actual increases to payroll numbers prior to payment.
  - v. Council reserves the right to make EDIP payments in increments to align with stages of the project completion.

## 5. ROLES & RESPONSIBILITIES

- b) The elected Council is responsible for endorsing the Policy.
- c) Council will approve any financial payments under the EDIP and provide endorsement to enter into an EDIP Agreement.
- d) The Applicant, their agents, special interest groups and/or advocates must not engage in any form of Lobbying of Councillors or Council Officers with respect to the EDIP application.
- e) Councillors, Council Officers and agents of Council have a responsibility to identify and immediately cause to end any Lobbying efforts made by the Applicant, or their representatives.
- f) Economic Development Staff and other designated Council Officers are responsible for providing information and support to prospective Applicants, including facilitating the application process under the EDIP and preparing preliminary and final assessment reports for consideration by Council.
- g) All Councillors, Council Officers and agents of Council are required to act within the terms and conditions set forth in this Policy.

- h) All Councillors, Council Officers and agents of Council are required to treat all applications under this policy as Commercial-in-Confidence.
- i) The Director Economic Development & Tourism is required to ensure that Council staff involved in the implementation of this Policy has received appropriate instruction and training.
- j) Successful Applicants must comply with the contractual arrangements of the EDIP set out in the EDIP Agreement in order for any financial payment to be made by Council.

## **6. LEGISLATIVE REQUIREMENTS**

Recipients of the EDIP have a responsibility to use the funds for the purposes for which they were given and to meet all legal and reporting obligations. Distribution of the EDIP will be in accordance with the *Local Government Act 1993* and associated regulations, and Council policies and procedures including but not limited to:

- a) the *Local Government Act 1993*, specifically sections 356 and Section 377;
- b) AlburyCity Delegations of Authority Register;
- c) AlburyCity Annual Fees and Charges Schedule (adopted by Council as part of the One Year Operational Plan);
- d) AlburyCity Accounting for Council's Financial Assistance Procedure;
- e) AlburyCity Acquisition and Disposal of Land Policy and Procedure;
- f) Leasing and Licensing of Council Property Policy;
- g) Waiving of Fees for Development Applications/Constructions Certificates Policy;
- h) AlburyCity Annual Operational Plan and 4 Year Delivery Program;
- i) Code of Conduct.

## **7. PROBITY**

Council is committed to ensuring that the process for providing funding and incentives under this Policy is transparent and any discretion exercised under this Policy is in accordance with recognised probity principles.

## **8. REPORTING**

In March of each year a confidential report will be presented to Council noting the financial assistance provided under the program and the actual or anticipated outcomes achieved as a result.

Any financial rebates or incentives paid under the Economic Development Incentive Program will be reported in Council's Annual Report for the year(s) payment is made. Details will include the recipient name and value.

## **9. DOCUMENTATION**

The following documentation will support the EDIP, and be updated from time to time to meet operational, legal and legislative requirements:

1. Economic Development Incentive Program Fact Sheet
2. Economic Development Incentive Program Application Form

3. Economic Development Incentive Program Procedure
4. Economic Development Incentive Program Agreement Template

## 10. AUTHORISATION

<b>Status</b>	<b>Committee</b>	Endorsed 21 August 2017
	<b>Manex</b>	Endorsed 23 May 2017
	<b>Council</b>	Endorsed 28 August 2017
<b>Owner</b>	Economic Development	
<b>Compliance</b>	Manex	
<b>History</b>	New Policy 2017	
<b>Register</b>	This policy is included in the Public Policy and Procedure Register.	
<b>Last issued</b>	28 August 2017	<b>Review</b> August 2019
<b>TRIM REFERENCE</b> DOC17/127287 FIL11/00149		