

Section 64 assistance for small business

Policy, procedure, protocol	Policy
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Documents superseded	
Related documents	Development Servicing Plan for Sewer, 2017 Development Servicing Plan for Water, 2017
Author	Greg Mashiah
Section / Department	Water Cycle
Linkage to Our Community Plan	3 Economy
Objective	3.1 We will have an attractive and diverse environment for business, tourism and industry
Strategy	3.1.2 Grow the Clarence Valley economy through supporting local business and industry

1. Purpose

To assist Clarence Valley commercial and industrial small businesses by reducing applicable Section 64 contributions by up to 2ET.

2. Definitions

Equivalent Tenement (ET) - The average sewer and water generated by a residential property

Sewer DSP – The Sewer Development Servicing Plan (DSP) adopted by Council at its meeting of 27 June 2017

Small Business – a commercial or industrial business that will employ no more than 15 employees (defined as individual employees, not just full time employees) at all stages of the development

Water DSP – The Water DSP adopted by Council at its meeting of 27 June 2017

Water Directorate ET Guidelines - the Water Directorate's *Section 64 Determinations of Equivalent Tenements Guidelines* adopted by Council at its meeting of 27 June 2017 for calculating non-residential sewer and water developer contributions

3. Background/legislative requirements

Council is empowered to collect developer contributions for sewer and water under Section 64 of the *Local Government Act, 1993*, which calls up Sections 305-307 of the *Water Management Act, 2000*. Section 224 of the *Water Management (General) Regulation* prescribes the development to which Section 64 applies.

At its meeting of 27 June 2017 Council adopted Sewer and Water DSPs prepared in accordance with Guidelines issued by the Minister under Section 306(3)(c) of the *Water Management Act*. Council also resolved that sewer and water developer contributions for non-residential development be calculated in accordance with the *Water Directorate ET Guidelines* or, for categories of development not included in those guidelines, the developer contributions be calculated from first principles based on the estimated water consumption and sewage generation of a development.

4. Policy, protocol or procedure statement

Sewer and water developer contributions can adversely impact on the viability of establishing small businesses (industrial and commercial), with a long-term outcome of small businesses disappearing from commercial and industrial areas. To assist with the establishment of small businesses, the calculated Section 64 sewer and water contributions for commercial and industrial small business developments may be reduced by up to 2ET as follows:

First 2 ET	- 50% reduction (i.e. up to 1.0ET total reduction)
The 3 rd and 4 th ET	- 30% reduction (i.e. up to 1.6ET total reduction)
The 5 th and 6 th ET	- 20% reduction (i.e. up to 2.0ET total reduction)
>6 ET	- No further reduction

A development's sewer and water "ET credit" will be the full value as calculated for the development and will remain with the property.

A reduction in the calculated Section 64 contributions under this policy will only be given once per property within a 5 year period.

This policy does not apply to any developments that involve the subdivision of land where additional lots are created. This policy will also not apply to any developments that have any Section 64 payment requirements prior to the adoption of this policy.

5. Procedures

When applying for a Certificate of Compliance for Sewer and/or Water, the applicant may submit a request in writing for a reduction in the calculated sewer and/or water developer contributions. The request must outline how the development complies with the definition of “small business” as specified in this policy, including a statutory declaration regarding the maximum number of individual employees.

An example of the calculations involved in the implementation of this policy is:

Commercial business in Lower River sewer catchment with assessed sewer and water contribution of 6.2ET:

2017/18 Water Supply Section 64 contribution = \$ 4,715/ET

2017/18 Lower River Sewer Section 64 contribution = \$11,530/ET

Assessed Section 64 contribution = 6.2 x (\$4,715 + \$11,530) = \$100,719

Reduction calculation:

First 2 ET = 2 x (4,715 + 11,530) x 0.50 = \$16,245

3rd & 4th ET = 2 x (4,715 + 11,530) x 0.30 = \$ 9,747

5th & 6th ET = 2 x (4,715 + 11,530) x 0.20 = \$ 6,498

Contribution Reduction under policy = \$32,490*

(* This is the maximum reduction under the policy)

Section 64 contribution payable = \$100,719 – \$32,490 = \$68,229

6. Appeal/objections process

N/A