

ORDINARY MEETING 23 NOVEMBER 2011	5
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INFRASTRUCTURE CHARGES DISCOUNT REQUEST

Sean Lisle SL: 8/20/16: #3391000

RECOMMENDATION:

That Council does not approve the request for the Infrastructure Charges Discount.

INTRODUCTION:

On 13 April 2011, Council resolved to establish an Infrastructure Charges Discount with an available fund of \$4million. The discount was granted to 32 of the 95 applicants following an assessment of the application against the application criteria. The applicant has now requested that Council reconsider their application for the discount.

BACKGROUND:

Applications opened on 18 April 2011 and closed 20 May 2011. An application was lodged on 29 April 2011 by Town and County Ltd for a discount on infrastructure charges associated with the establishment of shopping and business facilities at 63 Front Street, Mossman.

The application was assessed against the following application criteria:

- Reasons for delay in development;
- Potential timeframe for completion of the development without the discount.
- Actions taken to ensure the development is ready to progress, including confirmation of all approvals, tenders issued and awarded, contractor engaged and or other action; and
- The ability for the development to be completed within the required timeframe.

At the time the application was made it was considered that this development did not meet this criteria, in particular regarding the confirmation that all approvals for the development had not been finalised and the ability for the development to be completed within the required timeframe. As such, the application was unsuccessful.

COMMENT:

Subsequent to the initial refusal of the application, Prime Constructions Pty Ltd acting on behalf of Town and Country have requested Council approve a 100% discount on the infrastructure charges associated with the project. Valuation and finance limitations have been indicated as the reason for this request.

The request still does not meet the application criteria. Confirmation all approvals for the development have yet to be finalised and it is acknowledged that the ability for the development to be completed within the required timeframe is uncertain. The applicant has indicated that Building Applications are pending and that given the size of the project construction would not be completed by the 30 June 2012 timeframe.

There are residual unallocated discount funds (\$525,743.75) that could be attributed to this request (\$342,201.50). However, there are also a number of unsuccessful applications in similar circumstances to this application. Approximately six unsuccessful applicants have contacted Council requesting a similar outcome. Those requests have been refused pending an assessment of the success of the initial round of funding.

Council Officers recommend that this request also be refused as it does not meet the application criteria. Officers also consider this to be the most equitable outcome considering the additional unsuccessful applications.

CONSIDERATIONS:**Corporate and Operational Plans:**

The undertaking of the Infrastructure Charges Discount to stimulate new development in the Region is aligned with Council's Corporate Plan:

Goal 5: Creating a Prosperous Region - To increase the region's capacity for long term economic growth by supporting opportunities for local businesses and local employment; and

Goal 6 – Striving for Organisational Excellence – To ensure that Council is open, accountable, ethical and financially responsible. Recognise that Council plays a leadership role for our immediate communities and for the wider region and will strive to represent our community's needs and expectations.

Statutory:

Infrastructure charging policies are established in accordance with the former *Integrated Planning Act 1997*, the current *Sustainable Planning Act 2009*, and associated Regulations and Guidelines.

Policy:

The undertaking of an Infrastructure Charges Policy was consistent with the established policy approach of Council.

Financial and Risk:

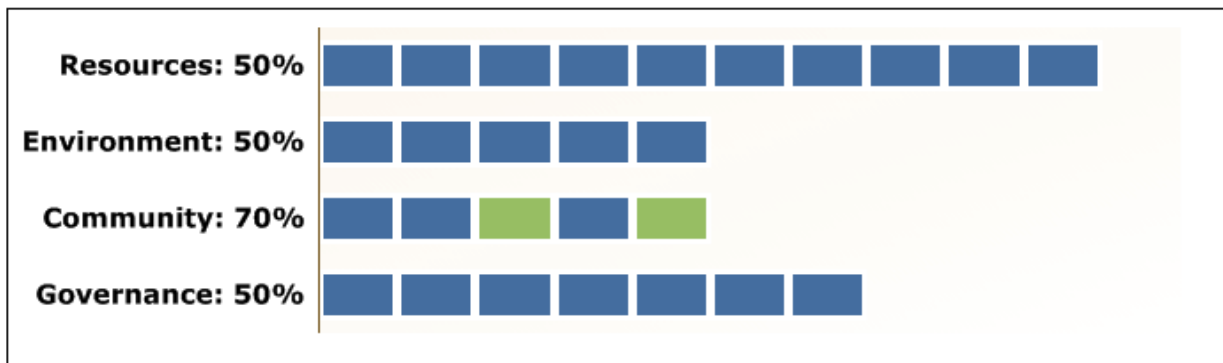
In implementing the Infrastructure Charges Discount the charges that have been issued for an approved development will not be fully recovered and will need to be accounted for by council in the future.

These funds will not be available for completion of various capital works in the region. In the context of Council's current and anticipated capital works programs across different asset classes, the total Discount amount would represent an extremely small proportion.

It is also noted that the recommendations of the Infrastructure Charges Taskforce may impact Council's treatment / recouping of these Discounts.

Sustainability:

Initial completion of the Sustainability Scorecard (extract below), confirmed that the delivery of the discount is relatively neutral. However, there will be positives gained from sound governance and economic development in the Region through creation of greater levels of construction activity in the region.

**CONSULTATION:**

No consultation was undertaken in the preparation of this report.

OPTIONS:

1. That Council does not approve the application for the Infrastructure Charges Discount;
2. That Council approves the application for the Infrastructure Charges Discount; or
3. That Council does not approve the application for the Infrastructure Charges Discount, however agrees to defer the payment of Infrastructure Charges for a period of 12 months from the commencement of use.

CONCLUSION:

Prime Constructions Pty Ltd has applied on behalf of Town and County Ltd for a discount on infrastructure charges associated with the establishment of shopping and business facilities at 63 Front Street, Mossman. Council Officers recommend that this request be refused as it does not meet the application criteria. Officers also consider this to be the most equitable outcome considering the additional unsuccessful applications.

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