

**ORDINARY MEETING****23 NOVEMBER 2011****6****TRUNK INFRASTRUCTURE CONTRIBUTIONS: INFRASTRUCTURE CHARGES DISCOUNT UPDATE**

Sean Lisle SL: 8/20/16: #3390763

**RECOMMENDATION:****That Council notes the report.****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, to a total sum of \$3,882,482.98. A number of reporting requirements were placed on approved applications, the first of these was due on 30 October 2011. This report provides an update following the receipt of these responses.

**BACKGROUND:**

On 13 April 2011, Council resolved to establish an Infrastructure Charges Discount with an available fund of \$4million. In establishing an Infrastructure Charges Discount, Council is seeking to provide stimulus and incentive for the development and construction industry to commence and have completed within a one year period their development in order to take advantage of a concession in Council's infrastructure charges.

A total of 95 applications were received by Council seeking a total discount of approximately \$24.5million. On completion of the assessment of the applications access to the infrastructure charges discount was granted to 32 of the Applicants, to a total sum of \$ 3,882,482.98.

**COMMENT:**

A number of reporting requirements were placed on approved applications, the first of these was due on 30 October 2011.

29 responses have been received to date and have indicated the following:

- 10 projects have commenced (1 project has been completed);
- 17 projects are planned to commence; and
- 2 projects are not commencing and will not accept the discount.

Council's Economic Benefit Assessment Tool estimates that the projects that have commenced will contribute approximately \$47.5million and \$58.08million in direct and in-direct benefits to the economy and will employ approximately 400 people.

Of the 17 projects that have indicated that works will commence in the future, 6 projects have indicated that they will commence before the end of the year, 7 will commence early next year and 4 have not indicated a date when works are likely to commence.

\$117,517.02 was unallocated after the granting of the discount to the 32 applications. With the indication that two projects will not be utilising the discount offered to their projects that remaining amount of discount unallocated is \$525,743.75.

### **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**

Objectives: To increase the region's capacity for long term economic growth by supporting opportunities for local businesses and local employment.

- 5.3 Plan and make financial and capital decisions with the state of the local economy in mind.

#### **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.

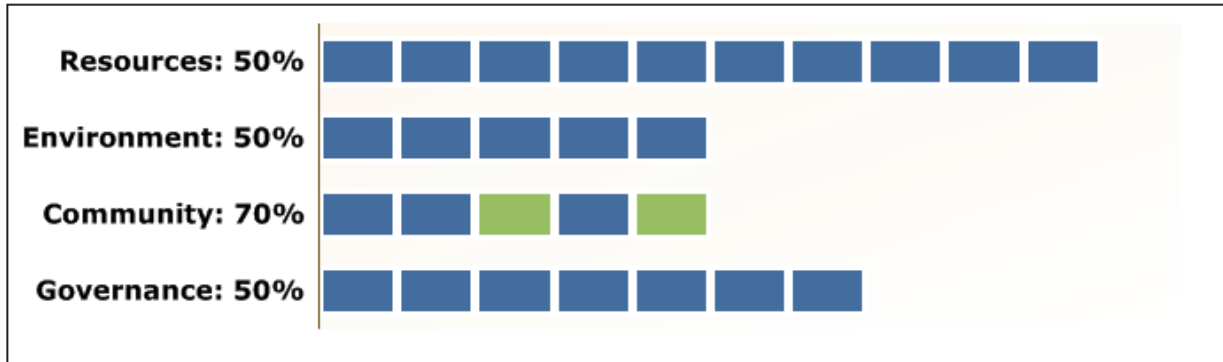
#### **Financial and Risk:**

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 represent an extremely small proportion.

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:**

The report is for noting.

**CONCLUSION:**

On receipt of the Infrastructure Charges Discount updates it is evident that the discount has stimulated some development. Of the remaining projects yet to commence the majority have indicated that they will be able to meet the timeframes for completion and access to the discount.

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