

Infrastructure

For the purposes of this Policy, infrastructure includes the following:

- roads;
- stormwater including water sensitive urban design;
- water and sewerage;
- pedestrian and cycle networks;
- power; and/or
- telecommunications.

2. Objective

The objectives of this Policy are to provide:

- parameters for the Council to apply when considering investing in new infrastructure required to augment an industrial development.
- the Council with the flexibility to consider the merits of each proposal and is, therefore, not intended to be definitively prescriptive.
- appropriate risk management mechanisms and controls required to manage the Council's financial exposure and risk to such developments.

3. Scope

The Policy is applicable only to industrial land development.

4. Policy

Where it is in the public interest and it is financially sound to do so, the Meander Valley Council may finance the provision of shared infrastructure for the purposes of enabling industrial land development where contributions from more than one landowner is required.

In determining the need for the Council to enter into an agreement to facilitate industrial land development, the Council will consider the supply and demand circumstance within the area concerned and must be satisfied there is demand for industrial land that underwrites the Council's expected ability to recoup any investment.

Any recommendation to Council for financing under this Policy must be informed by due diligence in respect of the land tenure, substantiation from utility providers, financial advice of landowners and developers, cost of capital and confirmation of proposed landowner Contributions payment terms to the Council.

5. Explanations and Relevant Considerations

In instances where there is more than one landowner/developer involved in an industrial land development, the Council may be required to provide shared infrastructure supported by arrangements that achieve an agreed equitable contribution from developers to the cost of infrastructure.

In determining whether or not to support the development of industrial land under this policy, the Council should consider:

a. *Risk*

In committing to the provision of shared infrastructure, the Council may be taking on substantial financial risk and will apply appropriate due diligence to ensure this financial risk is acceptable to the Council and that there is a demonstrated public benefit.

The risk of a particular development is the cost of providing Infrastructure and the length of time it will take for the Council to recoup Landowner Contributions from the development, hence an assessment of immediate and medium-term demand for industrial land in the subject area is essential.

b. *Basis for Investment*

As a guide, the Council should only consider providing head works infrastructure where there is more than one landowner. Where there is only one landowner and the developer is reluctant to put in the required head works infrastructure, then the Council should carefully consider the risk of default of landowner contribution payments.

c. *Total Investment Costs*

The Council's total cost of investment includes all Infrastructure costs, cost of capital and management of Infrastructure contracts.

d. *Cap on Investment*

The Council's investment in any required infrastructure is capped at the lesser of the annual borrowing limit approved by State Treasury for the current financial year or 100 percent of the annual general rate in the current year less any outstanding debt under this Policy and Policy No. 87: Hadspen Urban Growth Area Development.

e. *Recoupment of Investment*

The Council will recoup 100 percent of its investment in the development through landowner contributions to the Council.

The timing of the contributions back to the Council will be determined at the discretion of the Council based upon projected revenues from the development and the extent to which the Council needs to provide a stimulus to the development.

- i. the developer contributions can either be recouped 100 percent from the initial developer or spread between the original developer and subsequent developers;
- ii. notwithstanding the above, a minimum of 50 percent of the Council's investment will be recouped from the initial developer(s); and
- iii. the time frame to recoup the Council's investment will not exceed 15 years.

Having determined the timing of the contributions, the Council will recoup its investment by the following mechanisms:

- iv. a *Part 5 Agreement* under section 71 of the *Land Use Planning and Approvals Act 1993* with payment of the Landowner Contributions being payable proportionately on the sealing of the final plan; and/or
 - v. conditions on a planning permit with payment of the per lot developer contribution being payable on the issuing of the *Certificate of Occupancy* signifying commencement of the use.
- f. *Calculation of Landowner Contribution*
The contribution will be apportioned on a per square metre basis of the saleable land and applied to each lot in the proposed subdivision proportionately.
- g. *General Rates Incentive*
To continue to encourage industrial development, the initial landowner will be provided with the following rate subsidy:
- i. a grant will be paid by the Council representing the differential between the rates (on a per hectare basis) on the land prior to the development and the subsequent rates per the revaluation as a result of subdivision. This grant will be available to the initial developer only and be available for a period of three years from the date of the sealing of the plan for the creation of the new lot(s).
 - ii. the Council, at its sole discretion, may extend the grant beyond the three year period at its discretion and only in circumstances where the economic climate indicates the need for further incentive or rate relief and where a representation is made in writing by a developer and a case for extension is presented.
 - iii. this subsidy will only apply where land has been rezoned to industrial use and is subsequently subdivided into multiple lots.

6. Legislation and Related Standards

Land Use Planning and Approvals Act 1993
Local Government Act 1993

7. Responsibility

Responsibility for the operation of this Policy rests with the General Manager.