

- pedestrian and cycle networks;
- power; and/or
- telecommunications.

Investment

The Council's costs of the construction of infrastructure, cost of capital and cost of managing infrastructure contracts in the Hadspen Urban Growth Area.

Development

As defined by section 3 of the *Land Use Planning and Approvals Act 1993*.

2. Objective

The objectives of this Policy are to provide:

- for the construction of infrastructure which will underpin the development of the Hadspen Urban Growth Area.
- a framework for financing the Council investment in the capital cost of the construction of infrastructure.
- a model for ensuring that the Council recovers its investment through landowner contributions.

3. Scope

The Policy is applicable to the provision of infrastructure for the Hadspen Urban Growth Area.

4. Policy

Where it is in the public interest and it is financially sound to do so, the Council may finance the provision of shared infrastructure related to the Hadspen Specific Area Plan MEA-S2.0 in the Tasmanian Planning Scheme – Meander Valley.

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

Any recommendation to Council for financing or contributions to infrastructure under this policy must be informed by full due diligence in respect of the land tenure, relevant confirmation from utility providers, financial bona-fides of landowners and developers and appropriate arrangements to secure any due financial contributions to the Council.

5. Explanation and Principles

There are multiple land owners in the Hadspen Urban Growth Area.

In order to coordinate and facilitate development, the Council may resolve to finance and construct infrastructure that will be shared by the future community.

In doing so, the Council may take on a financial risk by borrowing funds to provide Infrastructure. The management of such financial risk is to address the following principles:

- a. the Council will apply appropriate mechanisms to ensure that the initial investment is recovered and the debt paid down as the area is developed.
- b. the Council will ensure that arrangements secure creditor rights and an ensured capability to recover its investment in any Infrastructure.
- c. the Council may finance the planning, design and construction of infrastructure where there is a clear public interest and a long-term benefit to the community.
- d. the Council will limit the amount of its investment to:
 - i. expenses associated with planning, design and construction of the infrastructure; and
 - ii. the Cost of Capital required to provide finance.
- e. the Council will cap its investment to 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. 76 – *Enabling Industrial Land Development*.
- f. the Council will recover 100 percent of its investment in the development from landowner contributions in accordance with the following procedures:

6. Mechanism

Having determined the timing of the contributions, the Council will recover its investment by a Part 5 agreement as provided for under section 71 of the *Land Use Planning and Approvals Act 1993* with payment of the specified landowner contributions being payable on the sealing of a final plan in each subdivision:

- a. landowner contributions will be apportioned on a per square metre basis of the saleable land and applied to each lot in the proposed subdivision accordingly.
- b. the Council will accept additional voluntary contribution payments. If the Council agrees and voluntary contribution payments are received the remaining contribution amount will be proportionally reduced over the remaining square metres.

7. Timing of Developer Contributions to Council

The timing of any developer 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:

- a. should a landowner sell all or any part of the land during the life of the Part 5 Agreement, the landowner contributions can either be recovered 100 percent from the initial landowner or spread between the original landowner and subsequent landowners; and
- b. the time frame to recover the Council's investment will not exceed 15 years.

8. Legislation and Related Standards

Local Government Act 1993

Land Use Planning and Approvals Act 1993

Meander Valley Council Policy No. 76: Enabling Industrial Land Development

9. Responsibility

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