

### Development Incentive (Infrastructure Charges Increment Subsidy) Policy

POLICY NUMBER: **CHRC0039**  
EFFECTIVE DATE: 1 March 2015

DEPARTMENT: Community & Development Service  
UNITS: Strategic Planning  
Development Assessment

#### 1.0 Purpose and Scope

This purpose of this Policy is to implement an infrastructure charges subsidy as a temporary measure to promote economic development throughout the Council with a particular focus on giving a boost to rejuvenation to commercial centres, the Yamala Special Industry area and ecotourism developments. This Policy also gives an adjustment period to the development sector to adjust to the new infrastructure charging regime in Charges Resolution number 8.

#### 2.0 Reference

##### **Primary**

*Charges Resolution number 7*  
*Charges Resolution number 8*

##### **Secondary**

*Sustainable Planning Act 2009 and any legislation that supersedes this Act;*  
*Sustainable Planning Regulation 2009 and any legislation that supersedes this Act;*  
*State Planning Regulatory Provision (adopted charges) July 2012;*  
*Blackwater Development Scheme;*  
*East Blackwater Development Scheme;*  
*Proposed Central Highlands Regional Council Planning Scheme and any version of this Planning Scheme that supersedes it.*  
*Central Highlands Regional Council Economic Development Incentives Framework; and*  
*Central Highlands Regional Council Infrastructure Contributions for Primary and Secondary Schools Policy.*

#### 3.0 Definitions

To assist in interpretation, the following abbreviations and definitions shall apply:

<i>AICR</i>	Adopted Infrastructure Charges Resolution
<i>Charges Resolution (CR)</i>	All of Council's area covered by either Charges Resolution number 7 or Charges Resolution number 8.
<i>Council</i>	Central Highlands Regional Council
<i>Developer</i>	A person, persons or company that has submitted a development application to Council.
<i>Adopted Charge (AC)</i>	A charge set by a Charges Resolution for providing trunk infrastructure for development.
<i>Increment Subsidy Unit<sup>1</sup></i>	1 March 2015 to 28 February 2016: Ten thousand dollars (\$10,000) 1 March 2016 to 29 February 2017: Five thousand dollars (\$5,000)
<i>Increment Subsidy</i>	Amount Council will contribute toward the Charges Resolution charge

<sup>1</sup> The date of issue of the Infrastructure Charges Notice shall be used to select the increment subsidy unit.

<i>Amount</i>	amount of a development as either calculated in Part 4 sections 2b, 3b or 5bii, or waived of this Policy.
<i>Subsidised Infrastructure Charge</i>	The total amount of the Charges Resolution charge amount minus the Increment Subsidy Amount.
<i>Infrastructure Charges Notice</i>	<p>(a) if paragraphs (b) and (c) do not apply—an infrastructure charges notice given under section 364(2), 635(2) or 662(4)(a); or</p> <p>(b) if, under section 643(1), a negotiated notice within the meaning of that section replaces an existing infrastructure charges notice—the negotiated notice; or</p> <p>(c) if an existing infrastructure charges notice is amended under section 626(3), 657(3) or 662(4)(b)—the notice as amended.</p> <p>Note: Sections from the <i>Sustainable Planning Act 2009</i></p>

#### 4.0 Policy Statement

1. This Policy is applicable to development applications<sup>2</sup> which have been issued with an Infrastructure Charges Notice and:
  - a. The date of issue is between 1 March 2015 and 28 February 2017;
  - b. The date of payment of total infrastructure charge is between 1 March 2015 and 31 March 2017;
  - c. Charges are applied under either Charges Resolution number 7 or Charges Resolution number 8; and
  - d. Where off sets are applicable under Charges Resolution number 7 or Charges Resolution number 8 it does not result in a refund to the developer.
2. The calculation to determine the Subsidised Infrastructure Charge for all reconfiguration of lot development approval is set down below:
  - a. Determine Adopted Charge in accordance with Charges Resolution  
Note 1: To remove any doubt, include any applicable discounts in this calculation.
  - b. From the Charges Resolution Adopted Charge amount subtract the sum to the number of additional lot(s) by the Increment Subsidy Unit to determine the Increment Subsidy Amount.  
  
 $(CR\ AC\ amount - (no.\ of\ additional\ lot(s) \times Increment\ Subsidy\ Unit)) = Increment\ Subsidy\ Amount$
  - c. From the Charges Resolution Adopted Charge amount subtract the Increment Subsidy Amount, to determine the Subsidised Infrastructure Charge.  
  
 $CR\ AC\ amount - Increment\ Subsidy\ Amount = Subsidised\ Infrastructure\ Charge$
3. The calculation to determine the Subsidised Infrastructure Charge for all material change of use development approval is set down below
  - a. Determine Adopted Charge in accordance with Charges Resolution  
Note 1: To remove any doubt, include any applicable discounts in this calculation

<sup>2</sup> This Policy affects the payment of infrastructure charges for development applications for which an Infrastructure Charges Notice is issued, such as development applications that are approved plus applications for 'permitted change of development' and or granted an extension of time during the nominated period.

- b. From the Charges Resolution Adopted Charge amount subtract the Charges Resolution Adopted Charge amount divided by \$25,200 multiplied by Increment Subsidy Unit, to determine the Increment Subsidy Amount

$$(\text{CR AC amount} / \$25,200) \times \text{Increment Subsidy Unit} = \text{Increment Subsidy Amount}$$

- c. From the Charges Resolution Adopted Charge amount subtract the Increment Subsidy Amount, to determine the Subsidised Infrastructure Charge.

$$\text{CR AC amount} - \text{Increment Subsidy Amount} = \text{Subsidised Infrastructure Charge}$$

4. The infrastructure charges for the material change of use component of a development set out in the table below shall be eligible for an Increment Subsidy Amount of one hundred percent (100%) of the Adopted Charge in accordance with Charges Resolutions number 7 and Charges Resolution number 8 where it meets all of the criteria set down below:

Category	Location <sup>3</sup>	Criteria
4.1 Town Centre rejuvenation (non-residential development)	Centre Zone Principal Centre Zone	<p>a. The Applicant must demonstrate that the development will provide new permanent employment for four (4) four- or more full time employees or equivalent after the construction stage is complete or in the case of an existing small business (i.e. with ten (10) or less full time employees or equivalent employees) the development will provide new permanent employment for two (2) or more; and</p> <p>b. Development is generally consistent with the zone code of the (proposed) Central Highland Regional Council Planning Scheme; and</p> <p>c. All new building work and retrofitting of existing building(s) are to achieve a minimum of a four green star rating as certified by the Green Building Council of Australia; and</p> <p>d. The Development has substantially commenced construction within two (2) years of the Decision Notice being issued and the Development is completed (ie use has commenced) within four (4) years of the Decision Notice being issued; and</p> <p>e. The applicable infrastructure charges are paid in full on or before 31 March 2017.</p>
4.2 Establishment of Special Industry Area (non-residential development)	Special Industry zone Industry Investigation zone designated for Special Industry activity	<p>a. The Applicant must demonstrate that the development will provide new permanent employment for four (4) four- or more full time employees or equivalent after the construction stage is complete or in the case of an existing small business (i.e. with ten (10) or less full time employees or equivalent employees) the development will provide new permanent employment for two (2) or more; and</p>

<sup>3</sup> The zonal mapping and zone code are to be sourced from the (proposed) Central Highlands Regional Council Planning Scheme.

		<p>b. Development is generally consistent with the zone code of the (proposed) Central Highland Regional Council Planning Scheme;; and</p> <p>c. All new building work, retrofitting of existing building(s) and provision of infrastructure on site incorporates the following Sustainable Building Design measures:</p> <p>Energy and emissions</p> <ul style="list-style-type: none"> <li>i. Incorporate passive design measures to maximise the use of natural ventilation, cooling and lighting;</li> <li>ii. Maximise energy efficiency by surpassing minimum statutory requirements for energy efficiency;</li> <li>iii. Installation of renewable energy generation system(s) to augment reticulated energy supply.</li> </ul> <p>Water and wastewater</p> <ul style="list-style-type: none"> <li>iv. Maximise water efficiency by surpassing minimum statutory requirements for water efficiency</li> <li>v. Incorporate alternative water sources to potable water for landscaping and other purposes, such as firefighting, including onsite recycling of water.</li> </ul> <p>Indoor Environment Quality</p> <ul style="list-style-type: none"> <li>vi. Incorporate materials and fittings that are not harmful to the health, safety and wellbeing of building users.</li> <li>vii Use air-handling and temperature control systems that provide a comfortable and healthy indoor environment.</li> <li>viii Ensure work areas have access to natural light and external views.</li> </ul> <p>Waste and construction materials</p> <ul style="list-style-type: none"> <li>ix. Select materials with the lower embodied energy and environmental impacts.</li> <li>x. Maximise reuse and recycling of construction and demolition waste.</li> <li>xi. Allow adequate space for recycling, waste storage and composting by building occupants.</li> </ul>
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		<p>d. The Development has substantially commenced construction within two (2) years of the Decision Notice being issued and the Development is completed (ie use has commenced) within four (4) years of the Decision Notice being issued; and</p> <p>e. The applicable infrastructure charges are paid in full on or before 31 March 2017.</p>
4.3 Township rejuvenation (non-residential development)	<p>Township Zone</p> <p>Industry zone (located in proximity to Township Zone)</p> <p>Rural Zone: Precinct RZ1 – Gemfields Core</p>	<p>a. The Applicant must demonstrate that the development will provide new permanent employment for four (4) four- or more full time employees or equivalent after the construction stage is complete or in the case of an existing small business (i.e. with ten (10) or less full time employees or equivalent employees) the development will provide new permanent employment for two (2) or more; and</p> <p>b. Development is generally consistent with the zone code of the (proposed) Central Highland Regional Council Planning Scheme;; and</p> <p>c. All new building work and retrofitting of existing building(s) are to achieve a minimum of a four green star rating as certified by the Green Building Council of Australia; and</p> <p>d. The Development Permit is completed (ie use has commenced) within two (2) years of the Decision Notice being issued; and</p> <p>e. The applicable infrastructure charges are paid in full on or before 31 March 2017.</p>

5. a. The calculation to determine the Subsidised Infrastructure Charge for all material change of use development approval is set down below
- i Determine Adopted Charge in accordance with Charges Resolution
 

Note 1: To remove any doubt, include any applicable discounts in this calculation
  - ii Multiply the Charges Resolution Adopted Charge amount by 0.60 to determine the Increment Subsidy Amount.
  - iii.  $(CR\ AC\ amount - Increment\ Subsidy\ Amount) = Subsidised\ Infrastructure\ Charge.$
- b. The infrastructure charges for the material change of use component of a development set out in the table below shall be eligible for an Increment Subsidy Amount of sixty percent (60 %) of the Adopted Charge in accordance with Charges Resolutions number 7 and Charges Resolution number 8 where it meets all of the criteria set down below:

Category	Location <sup>4</sup>	Criteria
Tourism Development	Environmental management and conservation zone	<p>a. The Applicant must demonstrate that the development will provide new permanent employment for four (4) four- or more full time employees or equivalent after the construction stage is complete or in the case of an existing small business (i.e. with ten (10) or less full time employees or equivalent employees) the development will provide new permanent employment for two (2) or more; and</p> <p>b. Development is generally consistent with the zone code of the (proposed) Central Highland Regional Council Planning Scheme;</p> <p>c. The Development Permit is completed (ie use has commenced) within two (2) years of the Decision Notice being issued; and</p> <p>d. The applicable infrastructure charges are paid in full on or before 31 March 2017.</p>

## 6. Payment

### a. Applicant

The Applicant is to pay the Adopted Charge in the Infrastructure Charges Notice (calculated 2a, 3a or 5bi) reduced by the Increment Subsidy Amount (calculated sections 2b, 3b or 5bii), being the Subsidised Infrastructure Charge Amount (either calculated sections 2c, 3bc or 5biii or nil if waived section 4)

### b. Council

The Council is to pay the balance of the Adopted Charge in the Infrastructure Charges Notice (calculated 2a or 3a), being the Increment Subsidy Amount (either calculated sections 2b, 3b or 5bii or 100 % as per section 4).

7. To access this Policy's subsidy to an Infrastructure Charge the developer should present a copy of the Infrastructure Charges Notice, completed Development Incentive (Infrastructure Charges Increment Subsidy) Policy form and payment at the same time.<sup>5</sup>
8. The approved development in sections 2 and 3 that are subject to this Policy must be carried out and completed prior to the relevant period and / or completion date lapsing as stipulated in the development approval. To remove any doubt, the offer of this subsidy is tied to development applications approved during the time that this Policy is in force and effect. The subsidy shall not be available for any development approval approved within the timeframe of the Policy and subsequently extended after the Policy has ceased to have force and effect.
9. To remove any doubt, the partial subsidy of infrastructure contributions assessed to be applicable to the proposed development does not include any application, inspection or connection fees or charges associated with the provision of services to the development, nor restrict Council or any referral agency from imposing conditions on the proposed development that require works to be carried out at the developer's expense.

<sup>4</sup> The zonal mapping and zone code are to be sourced from the (proposed) Central Highlands Regional Council Planning Scheme.

<sup>5</sup> In the case where a subsidy is being sought under section 4.4 of this Policy the form required in section 6 must still be submitted to Council even though no payment is being made by the developer.

## 5.0 Policy Review

The provisions in the Policy apply for a period of one (1) year and should be reviewed prior to the expiration of that year.

This policy is nominated to be reviewed on: 02/01/2016

*All policies will be reviewed at least two yearly or when any of the following evaluations occur:*

*Relevant legislation, regulations, standards and policies are amended or replaced; and*

*Other circumstances as determined from time to time by the Chief Executive Officer or through a resolution of Council.*