

**Responsible Officer: General Manager Customer Experience**

**Council Meeting Date: 4 June 2019**

**File Ref: FM7.2; DA/32/2017**

**Purpose:**

The purpose of this report is to allow Council to consider a request to apply the Infrastructure Charges Economic Development Incentive Scheme Policy (P-2018-03) to a Nature Based Tourism approval located at 2546 Round Hill Road, Round Hill (DA/32/2017).

**Officer's Recommendation:**

{recommendation-start}

That Council advise Zone Planning Group (acting on behalf of Mr Tim Lawry) that the request for a reduction in the Infrastructure Charges for DA/32/2017 – Nature Based Tourism use at Lot 19 RP616664 under Policy P-2018-03 is refused as the application does not meet the required criteria listed in point 1 and point 3 of section “6.1 Application of Policy”.

{recommendation-end}

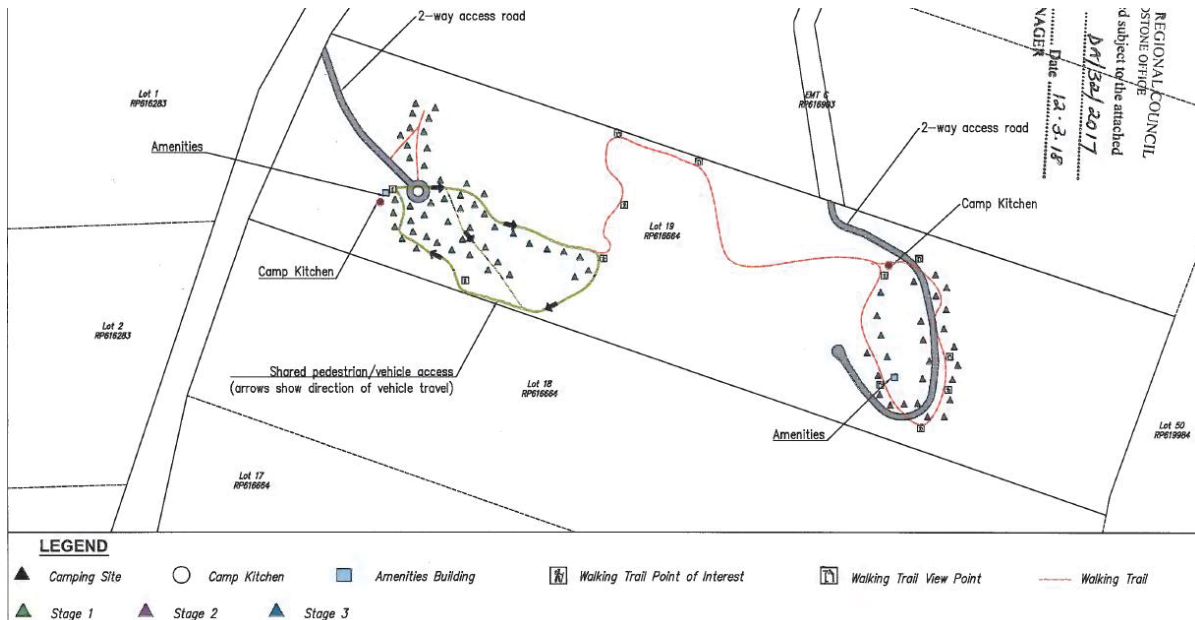
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**Background:**

Development Application for a Material Change of Use for Nature Based Tourism (74 Sites in 3 Stages) on land at 2546 Round Hill Road, Round Hill (Lot 19 RP 616664), was received on 4 May 2017, considered Properly Made on 10 May 2017 and Acknowledged on 11 May 2017.

After assessment of the proposal against the *Gladstone Regional Council Planning Scheme 2015*, a Development Permit was issued under Delegated Authority on 16 October 2017. After receipt of the Development Permit, the Applicant Suspended the Appeal Period on 2 November 2017. The Applicant lodged representations against Conditions 3, 4, 5, 6, 7, 14, 15, 16, 17, 18, 19, 26, and 30 on 4 December 2017. Amendment of Condition 4 and 5 necessitate amendment of Condition 1 in regard to the relevant drawing version. The request was approved in part with numerous amendments to the aforementioned conditions made in the Negotiated Decision Notice issued on 12 March 2018.

An image of the approved site plan is shown in Figures One.



**Figure One – Approved Site Plan**

An Adopted Infrastructure Charge Notice was issued on 23 October 2017 for the following amounts:

- Stage 1: \$106,800
- Stage 2: \$53,400
- Stage 3: \$41,950
- Total: \$202,150

On 4 December 2017, the Zone Planning Group (on behalf of Mr Tim Lawry) lodged written representations against the Adopted Infrastructure Charges Notice issued on 23 October 2017. The Applicant requested that infrastructure charges be calculated at the rate advised at the Applicant's Pre-lodgement Meeting held on 21 September 2016. The Applicant also requested that a 50% reduction be applied which would result in a total infrastructure charge of \$49,450. The Applicant presented this material and additional information regarding Adopted Infrastructure Charge rates within other local governments in a Delegation to Council on 29 January 2018.

Council responded to this request on 21 February 2018. While the superseded (Adopted Infrastructure Charges Resolution (No. 1 (2015)) was in effect at the time of the Pre-Lodgement meeting, it was replaced by the Adopted Infrastructure Charge Resolution (No. 1) 2015 – Amendment No (2) which commenced on 8 March 2017. As the application was not lodged until 4 May 2017, it was determined that the Adopted Infrastructure Charge Resolution (No. 1) 2015 – Amendment No (2) applied. Furthermore, the request for a variation of 50% to the charges could not be applied as the proposed use was not considered a Not for Profit Organisation or a Re-use of Existing Premises which were allowances as part of that charging resolution. It is noted that the current Economic Development Incentive Scheme did not come into effect until 3 July 2018. Subsequently, the request for a Negotiated Adopted Infrastructure Charge Notice was refused.

Since that refusal, the applicant has discussed the implications of the Infrastructure Charges Economic Development Incentive Scheme and the potential for this development to be considered under that policy. These discussions have led to this request being lodged.

It is noted that this is the first formal request lodged to Council under this Policy, although there have been many enquiries regarding its applicability since it came into effect.

### **Consideration:**

Infrastructure Charges Economic Development Incentive Scheme (Policy P-2018-03) applies to Development Applications for making a Material Change of Use of Premises which meet the following prerequisites:

1. *Are lodged with Council after the 1 July 2018; with respect to applications lodged prior to the 1 July 2018, Council may in its sole discretion, consider Development Applications approved and not yet constructed, or Development Applications that have been lodged but not yet decided, and*
2. *Are for any land use as defined within SC1.1 Use definitions of the Planning Scheme other than an Excluded Use as defined herein; and*
3. *Are proposed to be located within a Priority Infrastructure Area.*

The subject request has been considered against these criteria below.

#### Prerequisite 1: Date of Lodgement

A Development Application for a Material Change of Use for Nature Based Tourism (74 Sites in 3 Stages) on land at 2546 Round Hill Road, Round Hill (Lot 19 RP 616664), was received on 4 May 2017, considered Properly Made on 10 May 2017. The Application has been approved but has not yet commenced construction.

As the application was lodged more than 12 months prior to 1 July 2018, it does not meet the first requirement to qualify for the Infrastructure Charges Economic Development Incentive Scheme (Policy P-2018-03).

#### Prerequisite 2: Land Use defined under the Planning Scheme

Under the Planning Scheme, a Nature Based Tourism Use is defined as *“the use of land or premises for a tourism activity, including tourist and visitor short-term accommodation, that is intended for the conservation, interpretation and appreciation of areas of environmental, cultural or heritage value, local ecosystem and attributes of the natural environment. Nature-based tourism activities typically:*

- *maintain a nature based focus or product*
- *promote environmental awareness, education and conservation*
- *carry out sustainable practices.”*

The proposed development is considered consistent with this use definition. Nature Based Tourism is not considered an Excluded Use under Policy P-2018-03. Subsequently, the request is considered consistent with the second prerequisite of this policy.

#### Prerequisite 3: Located within a Priority Infrastructure Area

The Priority Infrastructure Area (PIA) identifies and maps future expected urban development over a 10 to 15 year period, which has been identified in the LGIP, as the most cost efficient way to service with trunk water, sewer, stormwater, roads and parks infrastructure. This projected development area also represents the most efficient cost to the community to develop.

The proposed development is located at 2546 Round Hill Road, Round Hill (Lot 19 RP 616664) which is approximately 1.8km from the nearest boundary of the Priority Infrastructure Area.

As the site is situated outside the Priority Infrastructure Area (PIA), the request is not consistent with the third prerequisite of this policy.

#### Other Prerequisites

The development application was not made by or on behalf of a Federal or State Government Agency.

#### **Legal Environmental and Policy Implications:**

The Applicant lodged a request to apply the Infrastructure Charges Economic Development Incentive Scheme (P-2018-03) to a Nature Based Tourism use located at 2546 Round Hill Road, Round Hill (DA/32/2017) on 11 April 2019.

It was determined that the development approval does not meet the two of the three criteria listed under section "6.1 Application of Policy".

The policy gives Council the ability to consider Development Applications that were lodged prior to 1 July 2018 and approved but not yet constructed, or Development Applications that have been lodged but not yet decided, but not for applications that do not meet the other criteria.

Council is empowered to make decisions outside of policy, and should you so choose an alternative resolution is:

*That Council advise Zone Planning Group (acting on behalf of Mr Tim Lawry) that despite not meeting the prerequisites of the Infrastructure Charges Economic Development Incentive Scheme (P-2018-03), an Infrastructure Agreement be entered into for a reduction in the Infrastructure Charges for DA/32/2017 for the following reasons.....*

It should be noted that encouraging developments outside of the PIA could mean that major trunk infrastructure may need to be built up to 15 years earlier than planned or in locations not previously considered, which could have a negative impact on Council's Long Term Financial Plan and may have flow-on effects on rates and the ability for Council to efficiently maintain assets.

It should be also noted that to maintain eligibility for an incentive under this Policy, *developments must:*

- 1. Be completed within two years from when the Material Change of Use of Premises Development Permit starts to have effect; or*
- 2. If staged, the first stage be completed within two years of when the Material Change of Use of Premises Development Permit starts to have effect with all stages of the development being completed within four years of when the Material Change of Use of Premises Development Permit starts to have effect; and*
- 3. Should these Incentive Conditions not be met then no reduction in the Levied Charges shall be applicable and the balance of the Levied Charges then outstanding shall be immediately due and payable.*

The Applicant has not yet submitted the Operational Works or any Building, Plumbing and Drainage Works applications which are required to action the existing approval (DA/32/2017). In order to maintain eligibility, the Applicant must complete Stage 1 by 12 March 2020 (i.e. less than 12 months).

### **Financial and Resource Implications:**

An Adopted Infrastructure Charge Notice was issued on 23 October 2017 (see attached) for the following amount:

- Stage 1: \$106,800
  - Stage 2: \$53,400
  - Stage 3: \$41,950
- Total: \$202,150

If Council endorses the Officer's Recommendation, there will be no financial impacts to Council.

Should Council decide to apply a discount, \$101,075 in income from the current applicable Infrastructure Charges would not be charged.

### **Anticipated Resolution Completion Date:**

If the request is refused, the Applicant will be informed within 10 business days of the decision.

If the request is approved, the Applicant must enter into an Infrastructure Agreement with Council and complete Stage 1 by 12 March 2020 to be eligible for the reduction.

### **Attachments:**

1. Negotiated Decision Notice issued 12 March 2018;
2. Adopted Infrastructure Charge Notice issued 23 October 2017;
3. Request Infrastructure Incentives Scheme Approval for Development Permit (DA/32/2017) for a Material Change of Use for Nature Based Tourism at 2546 Round Hill Road, Round Hill dated 11 April 2019; and
4. Infrastructure Charges Economic Development Incentive Scheme (P-2018-03)

### **Tabled Items:**

Nil.

**Report Prepared by:** A/ Senior Planning Specialist  
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