

# Strategic Planning

## Infrastructure Charges - Infrastructure Charges Resolution

### REPORT TO COUNCIL

**Authorised by** Director Planning and Development  
**Prepared by** Priority Infrastructure Planning Officer  
**Department** Strategic Planning  
**Date** 25 May 2015

### Executive Summary

Council previously adopted an infrastructure charges resolution in October 2014. It was to be formally commenced pending agreement with the State Government regarding providing grants and Priority Development Infrastructure (PDI) funding to council to the satisfaction of the Chief Executive Officer.

The State Government has not made a formal decision on council's PDI funding request and have advised that no decision will be made before 1 July 2015, being the legislative cut-off date to have the resolution in place to allow the recovery of infrastructure charges. To commence the previous resolution would put council at risk of reducing infrastructure charges below the statutory cap without any formal decision on the financial incentives of the PDI funding loan that would offset this shortfall in infrastructure funds.

Accordingly, council must now adopt another infrastructure charges resolution which would have effect on new development commencing on 1 July 2015.

### Officer's Recommendation

1. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that this infrastructure charges resolution applies to the Townsville City Council Local Government Area for all locations where the levying of infrastructure charges are not otherwise restricted by particular legislation.
2. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that the infrastructure charges as detailed in accordance with resolution 3 have effect on and from 1 July 2015 until superseded by the commencement of another charges resolution, with the exception of development permit applications properly made before 1 July 2015, whereby the charges as per the previous charge resolution dated 12 June 2014 apply where they are lower.
3. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that the Infrastructure charges apply to:
  - Material Change of Use - all material change of use development;

- Reconfiguration of Lot – where additional allotments are created. Charges shall be relevant to the land use on the allotment. For vacant allotments:
  - residential and emerging communities zonings are the equivalent of a Dwelling House (3 bedroom) on the relevant lot size, and;
  - other zonings are the equivalent of a Caretaker's accommodation (3 bedroom, detached dwelling) on the relevant site area;
- Building Works - for self-assessable or exempt land uses and zonings:
  - as identified in Schedule 1, or;
  - relative to the existing land use (or equivalent use for a vacant allotment, as specified above), it proposes a moderate-to-high increase of demand on the infrastructure network.

The applicable infrastructure charge will be the amount determined by applying the location factor of Schedule 2 to the base charge of Schedule 3 and the size of the development.

4. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that in calculating the net charge to be levied on a development, resolution 3 above is to be applied such that the applicable charge for the proposed land use is reduced by the applicable charge for a 'credit' land use, being:
  - an existing use on the premises if the use is lawful and already taking place on the premises;
  - a previous use that is no longer taking place on the premises if the use was lawful at the time it was carried out;
  - other development on the premises if the development may be lawfully carried out without the need for a further development permit.
5. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that the applicable charge for the proposed land use and the 'credit' land use be indexed after the charge is levied and before it is paid to council.

The indexation must be calculated:

- (i) In accordance with the 3-year moving average quarterly percentage change of the Australian Bureau of Statistics, Road and Bridge Construction Index (Queensland series) forecast by council for the December quarter of the financial year of the charge payment.
  - (ii) But is not to result in an increase that is more than the difference between the levied charge and the State Planning Regulatory Provision (SPRP) maximum charge.
6. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that the method used to recalculate the establishment cost when an application is made under section 657 of the *Sustainable Planning Act 2009* be as follows:
    - (i) The value of the trunk infrastructure be determined in accordance with the quotation and tender requirements of s5.5 to s5.10 of council's procurement policy (document no. 3027, version 3, dated 15/3/13); and
    - (ii) The value of the trunk infrastructure be submitted to the Director, Planning and Development Services to facilitate approval of the valuation, in accordance with council's financial delegations.
  7. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that conversion criteria used for making a decision on a conversion application made under section 659 of the *Sustainable Planning Act 2009* be as follows:
    - (i) The infrastructure has capacity to service other developments in the area;

- (ii) The function and purpose of the infrastructure is consistent with other trunk infrastructure identified in the Local Government Infrastructure Plan (LGIP). To be clear, it must provide the assumed growth in the LGIP with the associated desired standards of service and be consistent with the definitions of trunk infrastructure used in mapping the plans for trunk infrastructure.
- (iii) The infrastructure is not consistent with non-trunk infrastructure for which conditions may be imposed in accordance with s665 of SPA;
- (iv) The type, size and location of the infrastructure is the most cost effective option for servicing multiple users in the area. A definition of cost effectiveness as it relates to trunk infrastructure is provided below:
  - Most cost effective option – means the least cost option based upon the life cycle cost of the infrastructure required to service the future urban development in the area at the desired standard of service.

8. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that the words and terms used in this resolution have the meaning given in Sustainable Planning Act 2009 or the Queensland Planning Provisions version 3.1.

If a word or term used in this resolution is not defined in Sustainable Planning Act 2009 or the Queensland Planning Provisions version 3.1, it has the meaning given in the planning scheme.

9. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that council adopt the following schedules:

Schedule 1 – Building works subject to infrastructure charges

Schedule 2 – Charge areas and location factors

Schedule 3 – Base charges