

# Strategic Planning

## Infrastructure Charges - Infrastructure Charges Resolution

### REPORT TO COUNCIL

**Authorised by** Director Planning and Development  
**Prepared by** Infrastructure Charges Planning Officer  
**Department** Strategic Planning  
**Date** 24 May 2016

### Executive Summary

Council's infrastructure charge resolution is reviewed on an annual basis, with the next resolution due before 30 June 2016. A new charge resolution is proposed for the 2016/17 financial year, based on inflationary adjustments of the current charges and consideration of the statutory charge caps.

Key points to note:

- Infrastructure charges are based on costings, annually adjusted by inflationary forecasts.
- The forecast for 2016/17 is 1.1% more than previously adopted for 2015/16.
- State government charge caps were set in 2011 and are not subject to inflationary adjustment.
- Non-residential charges in the fully serviced urban, urban fringe, and remote areas are currently at the cap and will not change.
- Residential charges in remote areas are currently at the cap and will not change.
- In terms of the typical Dwelling house (3 bedroom):
  - o the government cap is \$28,000 and has not been adjusted for inflation since 2011;
  - o charges in the fully serviced urban area are currently \$26,900 ; and
  - o charges will increase by approx. 1.1%, to \$27,200.
- The local development industry, through the Urban Development Institute of Australia, were consulted on the proposal.

### Officer's Recommendation

1. That the council resolve that it makes the following resolutions pursuant to section 630 of the *Sustainable Planning Act 2009*, and that cumulatively they are the Council's *Infrastructure Charges Resolution 2016*.
2. That the council resolve that the *Infrastructure Charges Resolution 2016* 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.
3. That the council resolve that the *Infrastructure Charges Resolution 2016* has effect on and from 1 July 2016 until superseded by the commencement of another charges resolution.
4. That the council resolve that the *Infrastructure Charges Resolution 2016* applies to applications for approval for :
  - Material Change of Use - all material change of use development.
  - Reconfiguration of Lot – where additional allotments are created. Charges will be calculated by reference to the land use on each 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.
5. That the council resolve that the applicable infrastructure charge is to be determined by applying the location factor of Schedule 2 to the base charge of Schedule 3 and the size of the development.
  6. That the council resolve that to calculate the net charge to be levied on a development, the applicable charge for the proposed land use is to be 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; and
    - other development on the premises if the development may be lawfully carried out without the need for a further development permit.
  7. That the council resolve that the applicable charge for the proposed land use and the 'credit' land use, relevant to a net charge levied on an infrastructure charges notice, be indexed at the time 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 and
  - (ii) but is not to result in a charge that is more than the relevant State Planning Regulatory Provision (SPRP) maximum charge.
8. That the council resolve that when calculating the establishment cost of trunk infrastructure subject to an offset or refund under section 633 of the *Act*, or when an application is made to recalculate establishment cost under section 657 of the *Act*, the value of trunk infrastructure is to be:
    - (i) determined after the design of such infrastructure has been approved by council, and prior to the commencement of work to provide the infrastructure; and
    - (ii) the amount agreed by council's Chief Executive Officer, being an amount that is within the range determined in accordance with the quotation and tender requirements of s5.5 to s5.10 of council's procurement procedure (document no. 3027, version 3, dated 15/3/13). The relevant quotations or tenders are to be sourced by the applicant in collaboration with council.
  9. That the council resolve that conversion criteria used for making a decision on a conversion application made under section 659 of the *Act* are:
    - (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:

- a. be consistent with the definitions of trunk infrastructure used in mapping the plans for trunk infrastructure; and
    - b. provide the associated desired standards of service to the assumed growth;
  - (iii) the infrastructure is not consistent with non-trunk infrastructure for which conditions may be imposed in accordance with s665 of the *Act*; and
  - (iv) the type, size and location of the infrastructure is the most cost effective option for servicing multiple users in the area, with 'most cost effective option' meaning 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.
10. That the council resolve that the term 'Gross Floor Area' (GFA) as used in this resolution be defined as:

the total floor area of all storeys of a building (measured from the outside of the external walls or the centre of a common wall), other than areas used for the following:

- (a) building services, plant and equipment;
- (b) access between levels;
- (c) ground floor public lobby;
- (d) a mall;
- (e) the parking, loading and manoeuvring of motor vehicles; and
- (f) unenclosed private balconies whether roofed or not.

In addition, the term shall include the floor space of associated outdoor dining areas.

Other words and terms used in this resolution have the meaning given in the *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.

11. That the council resolve to adopt the following schedules:

Schedule 1 – Building works subject to infrastructure charges

Schedule 2 – Charge areas and location factors

Schedule 3 – Base charges