

# Planning Services

## Infrastructure Charges Resolution 2017/18

### Executive Summary

Council's infrastructure charge resolution is reviewed on an annual basis. A new resolution is proposed for the 2017/18 financial year, considerate of the draft Local Government Infrastructure Plan (LGIP), inflationary adjustments, changes to the statutory charge caps and new statutory 'parameters' for valuing land. In a change from previous resolutions, charges are derived from recommended demand rates, rather than a mid-range of hypothetical upper and lower limits. It also allows for charging development outside a planned service area if it is conditioned to connect to that service.

This report outlines the Infrastructure Charges Resolution 2017.

### Officer's Recommendation

1. That the report/attachment be deemed a confidential document and be treated as such in accordance with sections 171 and 200 (5) of the *Local Government Act 2009* and that the document remain confidential unless council decides otherwise by resolution.
2. That 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 2017*.
3. That council resolve that the *Infrastructure Charges Resolution 2017* 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.
4. That council resolve that the *Infrastructure Charges Resolution 2017* has effect on and from 1 July 2017 until superseded by the commencement of another charges resolution.
5. That council resolve that the *Infrastructure Charges Resolution 2017* 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.
6. That council resolve that the applicable infrastructure charge is to be determined by:
  - (i) applying the location factor of Schedule 2 to the base charge of Schedule 3 and the size of the development, and;
  - (ii) where the development is:
    - a. conditioned to connect to a particular service but it is not located in the relevant planned service area (refer to the Local Government Infrastructure Plan), and;
    - b. has not already conditioned the cost of connection as an 'extra payment';

the location factor shall be that from Schedule 2 which reflects the relevant combination of services, not necessarily the location of the development.

7. 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;
  - other development on the premises if the development may be lawfully carried out without the need for a further development permit.
8. That 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.
  - (ii) But is not to result in a charge that is more than the relevant State Planning Regulatory Provision (SPRP) maximum charge.
9. That 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 determined:
- (i) after the design of such infrastructure has been approved by council, and prior to the commencement of work to provide the infrastructure and;
  - (ii) for works - by 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 policy (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, and;
  - (iii) for land – by the difference in market value of the original land and land remaining after the trunk infrastructure land is removed, at the time the application was properly made, as reported by a certified practicing valuer (sourced by the applicant in collaboration with council), considerate of:
    - a. highest and best value of the land;
    - b. the value at the time the application was properly made (if the infrastructure is included in the Local Government Infrastructure Plan), otherwise at the time the application was approved;
    - c. Q100 flood levels;
    - d. all other real and relevant constraints, including but not limited to: vegetation protection, ecological values including riparian buffers and corridors, stormwater or drainage corridors, slope, bushfire hazards, heritage, airport environs, coastal erosion, extractive resources, flooding, land use buffer requirements and landslide hazards. This must also include tenure related constraints and restrictions such as easements, leases, licences and other dealings whether or not registered on title; and
    - e. relevant sales evidence and clear analysis of how those sales and any other information was relied upon in forming the valuation assessment.

10. That 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 the '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.

11. That 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.

12. That 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