Adopted Infrastructure Charges Resolution (No. 1) 2020

Mareeba Shire Council

Dated 17 June 2020

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Mareeba Shire Council Adopted Infrastructure Charges Resolution (No. 1) 2020

PART 1 PRELIMINARY

1.1 Title

This resolution may be cited as the *Mareeba Shire Council Adopted Infrastructure Charges Resolution (No.1) 2020*.

1.2 Planning Act 2016

This resolution is made under Section 113 of the *Planning Act 2016*.

Any reference to *the Act* in this resolution means the *Planning Act 2016.*

1.3 Effect

This resolution and an adopted charge under this resolution takes effect on and from 1 July 2020.

1.4 Purpose of the resolution

The purpose of the resolution is to:

a) Adopt charges (each an **adopted charge)** for the purpose of determining a levied charge for development for funding the cost of the trunk infrastructure networks identified in the Mareeba Shire Council Local Government Infrastructure Plan (LGIP), namely:

   i. water supply;

   ii. wastewater;

   iii. stormwater;

   iv. transport;

   v. public parks and land for community facilities.

b) State other matters relevant to the adopted charge and infrastructure charges;

c) Include a method for working out the cost of infrastructure the subject of an offset or refund; and

d) Include criteria for deciding a conversion application.

1.5 Application to the local government area

This resolution applies to the entire Mareeba Shire Council Local Government Area.

PART 2 RELATIONSHIP WITH THE PLANNING REGULATION

2.1 Relationship to the prescribed amount

In accordance with Section 114 of *the Act,* this resolution adopts a charge rate for particular development that is not more than the maximum adopted charge for providing trunk infrastructure for the development as prescribed by the *Planning Regulation 2017* and adopts different charges for particular development in different parts of the local government area (as detailed in Clause 3.2).

Schedule 16 of the *Planning Regulation 2017* states the prescribed amount for each adopted charge for providing trunk infrastructure for the development.

PART 3 ADOPTED INFRASTRUCTURE CHARGE

3.1 Development subject to infrastructure charges

Subject to Clause 3.2 and the provisions of *the Act,* this resolution applies if a development approval has been given and an adopted charge applies to providing trunk infrastructure for the development.

3.2 Applicable infrastructure charges rates

a) It is resolved to adopt the infrastructure charges rates (the Charge Rates contained in Table 1, each an **adopted charge**) for particular development located within and outside of the Priority Infrastructure Area.

b) Where development is located outside of the Priority Infrastructure Area, and is contiguous to the Priority Infrastructure Area, the adopted charge for development is the Charge Rate contained in Table 1.

c) For all other development located outside of the Priority Infrastructure Area, the adopted charge for development is the Charge Rate contained in Table 1.

d) The adopted charge rates for development contained in Table 1 includes a stormwater network charge and a charge rate for other networks (detailed in Clause 1.4 a).

PART 4 LEVIED CHARGE

4.1 Calculation of the levied charge

a) Subject to Clause 4.1.d, a levied charge for development is calculated as follows:

LC = AC – C

Where:

LC is the total infrastructure charge that may be levied by Council (the **Levied Charge**).

AC is the charge for the proposed development calculated as follows:

- unit of measure multiplied by the adopted charge rate (stormwater and other networks) for the respective development identified in Table 1.

C (credit) is calculated as follows:

- unit of measure multiplied by the adopted charge rate (stormwater and other networks) for development (as determined in accordance with Clause 4.1) identified in Table 1.

Clause 4.2 provides guidance on determining extra demand placed upon trunk infrastructure and the calculation of the levied charge.

b) Where the adopted charges associated with the credit (C) exceed the adopted charge for the proposed development (AC), then:

i. no infrastructure charges will be required; and

ii. no refund will be given.

c) For the purposes of calculating AC or C in accordance with Clause 4.1, where development involves:

i. the reconfiguration of a lot that will create additional vacant allotments, or where vacant allotments exist, the '3 or more bedroom dwelling house' adopted charge rate contained in Table 1 is the rate to be used for the development in the calculation;

ii. dual land uses, the highest adopted charge rate associated with the land uses involved in the development contained in Table 1 is the adopted charge rate to be used in the calculation.

d) The following proportional deductions to the levied charge for development that is located outside of the Priority Infrastructure Area apply:

i. 20% for all development where there is no waste water connection to the subject premises;

ii. 20% for all development where there is no water supply to the subject premises.

4.2 Extra demand

a) Section 120 of *the Act* provides that a levied charge may be only for extra demand placed upon trunk infrastructure.

b) In accordance with Section 120 of *the Act*, when working out extra demand, the demand on trunk infrastructure generated by the following must not be included:

i. an existing use on the premises if the use is lawful and already taking place on the premises;

ii. a previous use that is no longer taking place on the premises if the use was lawful at the time the use was carried out;

iii. other development on the premises if the development may be lawfully carried out without the need for a further development permit.

c) The demand generated by a use or development stated in 4.2 b. may be included if:

i. an infrastructure requirement that applies, or applied to the use or development, has not been complied with; and

ii. the demand generated by development stated in 4.2 b.

iii. May be included if:

- an infrastructure requirement applies to the premises on which the development will be carried out; and

- the infrastructure requirement was imposed on the basis of development of a lower scale or intensity being carried out on the premises.

4.3 Indexing of infrastructure charges

a) It is resolved to provide for automatic increases in the levied charges from when they are levied to when they are paid (an **automatic increase provision**).

The increases will be calculated in accordance with the Consumer Price Index: All Groups, Brisbane.

b) The increases calculated in accordance with Clause 4.3.a uses the applicable quarterly index value at the date the charge was levied to the applicable quarterly index value at the date the charge is to be paid.

c) Under Section 114 of *the Act*, an automatic increase must not be more than the lesser of the following:

i. the difference between the levied charge, and the maximum adopted charge that the local government could have levied for the development when the charge is paid.

ii. the increase worked out using the PPI, adjusted according to the 3-yearly PPI average, for the period, starting on the day the levied charge is levied; and ending on the day the charge is paid.

PART 5 LOCAL GOVERNMENT INFRASTRUCTURE PLAN

5.1 Planning assumptions

The planning assumptions about future growth and urban development are identified in the LGIP.

5.2 Priority infrastructure area

The priority infrastructure area is identified in the LGIP.

5.3 Trunk infrastructure networks

The trunk infrastructure networks to which an adopted charge applies are identified in the LGIP.

5.4 Desired standard of service

The desired standards of service for each network are detailed in the LGIP.

5.5 Plans for trunk infrastructure

The existing and future plans for trunk infrastructure for the local government area are contained in the LGIP.

5.6 Infrastructure Work Schedule

The infrastructure works schedules, including the establishment cost of trunk infrastructure items, are contained in the LGIP.

PART 6 COST OF INFRASTRUCTURE OFFSETS OR REFUNDS

6.1 Establishment cost for works

The cost of the infrastructure for determining offsets and refunds for trunk infrastructure identified in a necessary infrastructure condition is the establishment cost identified in the LGIP.

6.2 Method for calculating infrastructure costs subject of the offset or refund

a) Where a notice is given by an applicant under Section 137 of *the Act* for the recalculation of the establishment cost for trunk infrastructure, the applicant must, at their own cost, provide Council with the following:

For trunk infrastructure that is works:

i. a bill of quantities for the design, construction and commissioning of the trunk infrastructure in accordance with a scope of works that is provided by Council; and

ii. a first principles estimate for the cost of designing, constructing and commissioning the trunk infrastructure specified in the bill of quantities.

For trunk infrastructure that is land:

i. a valuation of the specified land undertaken by a certified practicing valuer.

b) Council must give a notice to the applicant which states whether the bill of quantities and the cost estimate or the valuation are accepted.

c) If Council accepts the bill of quantities and the cost estimate or the valuation, the cost estimate or valuation is the establishment cost of the infrastructure.

d) If Council does not accept the bill of quantities and the cost estimate or the valuation, Council must, at its own cost:

i. for the bill of quantities and the cost estimate, have an assessment undertaken by an appropriately qualified person to:

- determine whether the bill of quantities is in accordance with the scope of works provided by Council;

- determine whether the cost estimate is consistent with current market costs calculated by applying a first principles estimating approach to the bill of quantities; and

- provide a new cost estimate using a first principles approach.

ii. for the valuation, have a valuation undertaken by a certified practicing valuer.

e) If Council rejected the bill of quantities and the cost estimate or the valuation in accordance with Clause 6.2.d, it must provide the applicant with the following in writing:

i. reasons why it rejected the bill of quantities and cost estimate or the valuation; and

ii. the proposed new bill of quantities and cost estimate or the valuation as determined in accordance with Clause 6.2.d.

f) Where written notice has been given by Council in accordance with Clause 6.2.2:

i. the applicant may negotiate and agree with Council regarding the cost estimate or valuation; and

ii. the cost estimate or valuation agreed in accordance with Clause 6.2.f.i. is the establishment cost of the infrastructure.

g) If agreement in accordance with Clause 6.2.f.i. cannot be reached, Council must:

i. for the bill of quantities and the cost estimate, refer the bill of quantities and the cost estimate to a suitably qualified expert agreed to by both the applicant and Council to:

- assess whether the bill of quantities is in accordance with the scope of works;

- assess whether the cost estimate is consistent with current market costs calculated by applying a first principles estimating approach to the bill of quantities; and

- provide an amended cost estimate using a first principles estimating approach.

ii. for the valuation, have a valuation undertaken by a certified practicing valuer agreed to by both the applicant and Council to assess the market value.

h) The cost of the independent assessment carried out in accordance with Clause 6.2.g must be shared equally between the applicant and Council.

i) The amended cost estimate or valuation determined in accordance with Clause 6.2.g is the establishment cost of the infrastructure.

j) If the applicant and Council cannot agree on the appointment of a suitably qualified expert or certified practicing valuer for the purposes of Clause 6.2.g, the establishment cost of the infrastructure is determined by calculating the average of the cost estimates or valuations prepared in accordance with Clause 6.2.a and 6.2.d.

k) Where Council accepts the amended cost in accordance with Clause 6.2.c. or 6.2.j, Council will update the following to include the infrastructure item;

i. The infrastructure charges notice associated with the applicant's Development Approval; and

ii. the LGIP.

PART 7 CONVERSION APPLICATIONS

a) Where an applicant makes an application under Section 139 of *the Act* to convert non-infrastructure to trunk infrastructure, all of the following criteria must be met:

i. The infrastructure required to service the development is consistent with the assumptions about growth, type, scale, location and timing of development and infrastructure network planning methodologies contained in the LGIP, including extrinsic material;

ii. The infrastructure required to service the development is consistent with the desired standards of service detailed in the LGIP;

iii. The infrastructure required to service the development is consistent other trunk infrastructure identified in the LGIP;

iv. The infrastructure is not consistent with non-trunk infrastructure for which conditions may be imposed in accordance with the Section 145 of *the Act*;

v. The type, size and location of the infrastructure is the most cost effective option for servicing multiple users in the area.

PART 8 DICTIONARY

1. Dictionary

Words and terms used in this resolution have the meaning given in the *Planning Act 2016, Planning Regulation 2017* and Council's Planning Scheme – Mareeba Shire Council Planning Scheme 2016.

If a word or term used in this resolution is not defined in the *Planning Act 2016*, *Planning Regulation 2017* or the Mareeba Shire Council Planning Scheme 2016, it has the meaning given in this Part.

Other terms used within this resolution:

Local Government Infrastructure Plan (LGIP) means the Mareeba Shire Council Local Government Infrastructure Plan, adopted by Mareeba Shire Council on 5 November 2018 and commenced on 9 November 2018.

Most cost effective option – means the least cost option based upon the life cycle cost of the infrastructure required to service future urban development in the area at the desired standard of service.

Planning Scheme means the Mareeba Shire Council Planning Scheme 2016.

Table 1 – Adopted Charge Rates