

5.03. LOCAL GOVERNMENT INFRASTRUCTURE PLAN

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PROPOSAL Local Government Infrastructure Plan

RECOMMENDATION

1. **That Council resolves to prepare a Local Government Infrastructure Plan for Douglas Shire in accordance with the requirements of Section 117(2) of the *Sustainable Planning Act, 2009*.**
2. **That Council delegates authority to the Chief Executive Officer in accordance with the Local Government Act to advance any and all matters associated with the preparation of the Douglas Shire Local Government Infrastructure Plan.**

EXECUTIVE SUMMARY

As part of the on-going reform agenda with respect to Infrastructure Charges in Queensland, and in accordance with Section 976 of the Savings and transitional provisions of the *Sustainable Planning (Infrastructure Charges) and Other Legislation Amendment Act 2014*, local governments are required to prepare and adopt Local Government Infrastructure Plans (LGIP) as part of their planning schemes. Section 976(2) of the *Sustainable Planning Act, 2009* clarifies that a local government is not required to have an LGIP in place until 1 July 2016. From this date on, local governments will be required to have an adopted LGIP if they intend to make a charges resolution, impose trunk infrastructure conditions or issue infrastructure charges notices.

The state government has set out the minimum requirements for an LGIP and the process that has to be followed in order to adopt a LGIP. The process required to achieve an LGIP is quite complex and requires two reviews by an independent appointed reviewer and also involves public consultation. The first part of the process in developing a LGIP is for Council to decide to make an LGIP. The purpose of this report is to start the process of preparing an LGIP for Douglas Shire.

BACKGROUND

The infrastructure planning and charging framework in Queensland has been undergoing reform since 2010. Various changes to the framework have occurred since that time, including the introduction of a set of maximum infrastructure charge rates that local government can levy upon development.

In 2011, Cairns Regional Council endorsed an Adopted Infrastructure Charges Resolution (AICR) which stated that when calculating the infrastructure charges to be levied upon development the lower of the maximum charges and those calculated under the applicable charging policy being Douglas Shire Planning Scheme Policy No.9 and No.11 will be levied.

Legislative amendments specified that from 1 July 2015, ACIR's were to cease to have effect and local government had to instate a replacement charging regime by that date, or lose the ability to charge for infrastructure. At its Special Meeting held on 24 June 2015, Douglas Shire Council adopted a new Adopted Infrastructure Charges Resolution 2015 (AICR 2015) in order to continue to have the ability to charge for infrastructure.

The AICR 2015 is an 'interim' measure until Council adopts a Local Government Infrastructure Plan (LGIP). The LGIP will include an Infrastructure Charges Schedule based on contemporary population and demand modeling. Local governments are required to have their LGIPs operational by 1 July 2016.

COMMENT

The purpose of an LGIP is to:

- integrate infrastructure planning with the land use planning identified in the planning scheme
- provide transparency regarding a local government's intentions for the provision of trunk infrastructure
- enable a local government to estimate the cost of infrastructure provision to assist its long term financial planning
- ensure that trunk infrastructure is planned and provided in an efficient and orderly manner
- provide a basis for the imposition of conditions about infrastructure on development approvals

Infrastructure may only be identified in an LGIP if that infrastructure is development infrastructure which the local government has also determined is trunk infrastructure. Development infrastructure is defined in the *Sustainable Planning Act 2009* and is limited to land and/or works for the following five networks that provide essential services for development:

- water supply
- sewerage
- stormwater
- transport
- public parks and land for community facilities.

The state government provides local governments with technical assistance to assist in the preparation of their LGIPs in the form of a *Statutory Guideline 03/14 – Local Government Infrastructure Plans*. This statutory guideline sets out the minimum requirements that must be followed by a local government for preparing an LGIP, in accordance with Section 117 of *Sustainable Planning Act 2009*.

Statutory Guideline 04/14 – Making and amending local planning instruments sets out the statutory processes involved in preparing an LGIP, within Part B - Making or amending a planning scheme for a local government infrastructure plan.

This guideline indicates that preparing an LGIP is a four stage process consisting of:

- Stage 1 – Planning and Preparation
- Stage 2 – Review
- Stage 3 – Public consultation
- Stage 4 – Adoption

A summary flow diagram is provided at Attachment 1.

Of particular note, the 3rd stage of Step 1 requires the engagement of an 'appointed reviewer' to conduct a compliance check of the proposed LGIP. During the compliance check, the appointed reviewer must:

- consider whether the proposed LGIP appropriate complies with and addresses any relevant requirements identified in the statutory guideline for LGIPs;
- consider whether the proposed LGIP is consistent with the State Planning Scheme Provisions;
- complete the checklist in accordance with the statutory guideline for LGIPs.

(Note: The State Planning Scheme Provisions is new terminology for the Queensland Planning Provisions)

In addition, during Stage 3 – Public consultation, there is a second review by the appointed reviewer prior to the LGIP being referred to the Minister to request that the LGIP be considered suitable for adoption.

The state government has appointed a panel of pre-approved LGIP appointed reviewers from which local governments can identify and appoint a contractor to conduct an objective review of their draft LGIPs. Only reviewers who have been appointed to the panel can be used. Council will be directly responsible for identifying and appointing a reviewer from the panel without further involvement of the State.

It should be noted that the summary flow diagram at Attachment 1 indicatively shows the entire process taking up to 20 months to complete. However, it should also be noted that substantial work has already been undertaken in preparing a draft LGIP which should assist in significantly reducing the timeframes associated with the entire process.

FINANCIAL/ RESOURCE IMPLICATIONS

Expenditure will be required in order to complete the LGIP. Funds are available to prepare the draft LGIP. Further allocation may be required in the 2016/7 financial year depending on progress made during the remainder of the 2015/16 financial year.

RISK MANAGEMENT IMPLICATIONS

Under the Section 976(2) of the *Sustainable Planning Act, 2009*, from 1 July 2016, Council must have an LGIP in order to continue levying infrastructure charges upon development. It is possible that the process for preparing an LGIP may not have run its course by 1 July 2016. However in order to justify any form of time extension, it is necessary that action has been taken to progress the development of a LGIP for Douglas Shire.

SUSTAINABILITY IMPLICATIONS

Economic: Council's existing AICR 2015 ceases to have effect from 1 July 2016, and Council cannot levy infrastructure charges upon development from that date. This would have a significant financial impact on Council with respect to the provision of infrastructure and capital works revenue.

Environmental: Limited, if any environmental considerations.

Social: The inability to levy and collect infrastructure charges would have a negative impact on the ability for Council to maintain and fulfill community expectations with respect to the provision of suitable and functional infrastructure, being one of Council's core responsibilities.

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2014-2019 initiatives:

Theme 2 – Building a Sustainable Economic Base

2.1.1 Develop management plans for all Council assets and adequately resource their implementation.

Theme 5 - Governance

5.1.1 Establish and develop long term financial, resource and infrastructure planning to ensure ongoing capacity to fund operations and capital works programs.

5.1.2 Implement a robust enterprise risk management culture to identify and manage potential risks.

Operational Plan 2015-2016 Actions:

On-going activities

Ensuring compliance with relevant State legislation, Council Local Laws and the Shire Planning Scheme.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following area outlines where Council has a clear responsibility to act:

Regulator: Meeting the responsibilities associated with regulating activities through legislation.

CONSULTATION

External: The LGIP will undergo a minimum public consultation period of at least 30 days as part of Stage 3 of the process.

ATTACHMENTS

Attachment 1 – Flow diagram of the process for making a local government infrastructure plan.

Schedule 5

Flow diagram of the process for making a local government infrastructure plan amendment



