## **ORDINARY MEETING**

24 MARCH 2015

# 5.3

REQUEST FOR NEGOTIATED NOTICE FOR INFRASTRUCTURE CHARGES ASSOCIATED WITH A DEVELOPMENT PERMIT FOR OPERATIONAL WORKS - PRESCRIBED TIDAL WORKS - REEF MARINA, WHARF STREET, PORT DOUGLAS

Neil Beck: MCUC 449/2014: (450439)

PROPOSAL:	REQUEST TO NEGOTIATE INFRASTRUCTURE CHARGES
<u>APPLICANT</u> :	REEF MARINA PTY LTD C/- PLANZ TOWN PLANNING 17 ATHERTON STREET WHITFIELD QLD 4870
LOCATION OF SITE:	WHARF STREET, PORT DOUGLAS
PROPERTY:	LOT 146 ON SP861
LOCALITY:	PORT DOUGLAS AND ENVIRONS
PLANNING AREA:	PORT DOUGLAS WATERFRONT – NORTH
PLANNING SCHEME:	DOUGLAS SHIRE PLANNING SCHEME 2008
REFERRAL AGENCIES:	DEPARTMENT OF ENVIRONMENT & HERITAGE PROTECTION DEPARTMENT OF TRANSPORT & MAIN ROADS DEPARTMENT OF STATE DEVELOPMENT, INFRASTRUCTURE & PLANNING
NUMBER OF SUBMITTERS:	NOT APPLICABLE
<u>STATUTORY ASSESSMENT</u> DEADLINE:	NOT APPLICABLE
APPLICATION DATE:	30 SEPTEMBER 2014
APPENDIX:	1. APPROVED LAYOUT PLAN & PREVIOUSLY ISSUED
INFRASTRUCTURE	CHARGES NOTICE

- 2. AMENDED INFRASTURE CHARGES NOTICE
- 3. APPLICANT REPRESENTATIONS

## LOCALITY PLAN



#### **RECOMMENDATION:**

That Council, in accordance with Section 643 of the *Sustainable Planning Act* 2009, issue an amended Adopted Infrastructure Charges Notice as detailed in Appendix 2 associated with the Material Change of Use for the expansion of the existing Marina over land described as Lot 146 on SP861, located at Wharf Street, Port Douglas.

## **EXECUTIVE SUMMARY:**

A Development Permit for a Material Change of Use and Prescribed Tidal Works for the expansion of the Reef Marina was issued by Council at the Ordinary Meeting on 20 January 2015. A copy of the approved plan illustrating the expansion is attached at Appendix 1.

The Development Permit provided for the construction of an additional 37 marina berths. Due to the increase in demand placed on Council's reticulated water supply and sewer network as a consequence of the approval, infrastructure charges were levied against the development. The Infrastructure Charges Notice is also attached at Appendix 1. A rate of 0.2 of an equivalent residential allotment (ERA) per additional berth was levied against the development which equates to \$85,063.82.

The Applicant has sought to negotiate the amount of infrastructure charges and provided supporting material to Council to assist in determining the request. The submission is attached at Appendix 3.

Having regard to the additional material provided and applying a reasonable and relevant test to the request, it is recommended that Council reduce the infrastructure charges and issue an amended Infrastructure Charges Notice as detailed in Appendix 2.

## DISCUSSION

At the time of deciding the application, limited information was available regarding the additional demand that such an expansion would have on Council's water supply and sewer network. There is no dispute between Council and the Applicant that such an expansion does place additional demand on Council's system and therefore it is matter of calculating an appropriate monetary contribution which is fair and reasonable.

Both Council's Infrastructure Charges Policy and the State Planning Regulatory Provision (adopted charges) 2012 (SPRP) provide limited guidance on what constitutes an appropriate infrastructure charge for this particular form of development. The SPRP identifies the expansion as "Other Uses" and leaves it to the discretion of Council to apply an appropriate charge at the time of assessing the application.

In determining an appropriate amount, it was noted that Council's Infrastructure Charges Policy nominates a 1 bedroom unit and a 1 bedroom retirement facility as having a demand of 0.4 ERA per unit and a 1 bedroom motel unit attracts a rate of 0.35 ERA. These forms of accommodation types are the lowest demand generators listed in the policy. It was therefore considered reasonable to halve these values again and attribute 0.2 ERA and apply to each additional berth. This in turn equates to 7.4 ERA's for the expansion and therefore \$85,063.82.

Having regard to the representations provided by the Applicant (attached at Appendix 3) with particular reference to:-

- (i) the mix / type of vessels being accommodated (limited live aboard availability);
- (ii) the supporting letter from International Marina Consultants comparing like facilities elsewhere; and
- (iii) the recently upgraded toilet and shower facilities dedicated for Marina berth holders.

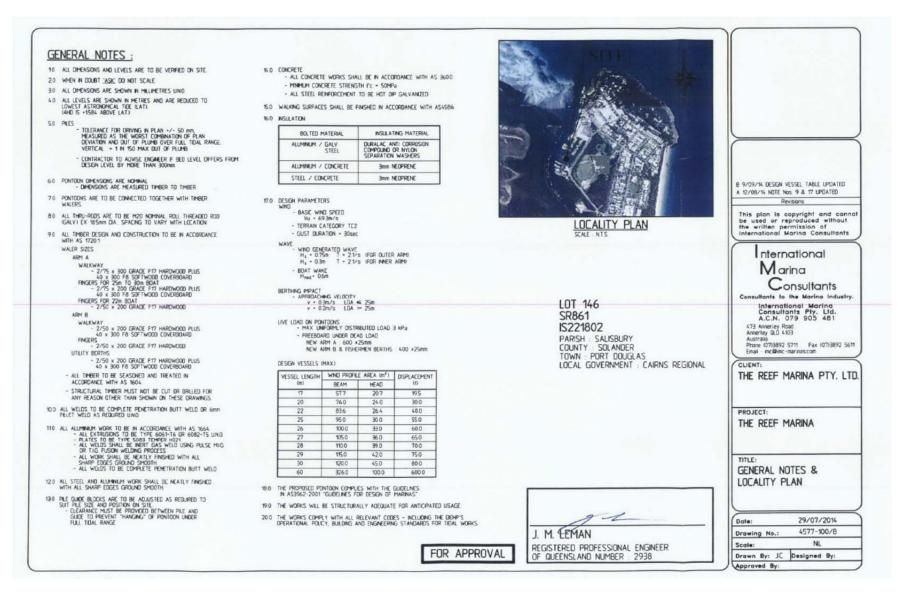
sufficient grounds exist to support a reduction in the estimated demand generated by the proposal from 0.2 ERA to 0.1 ERA per additional berth. This has reduced the infrastructure charges from \$85,063.82 to \$41,541.87.

An amended Infrastructure Charges Notice has been prepared and contained at Appendix 2.

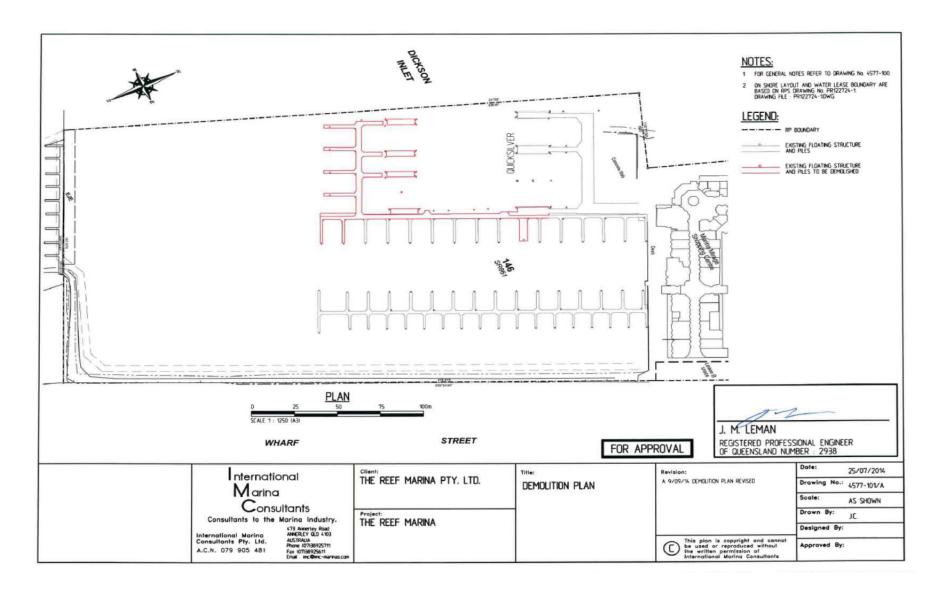
## COUNCIL'S ROLE

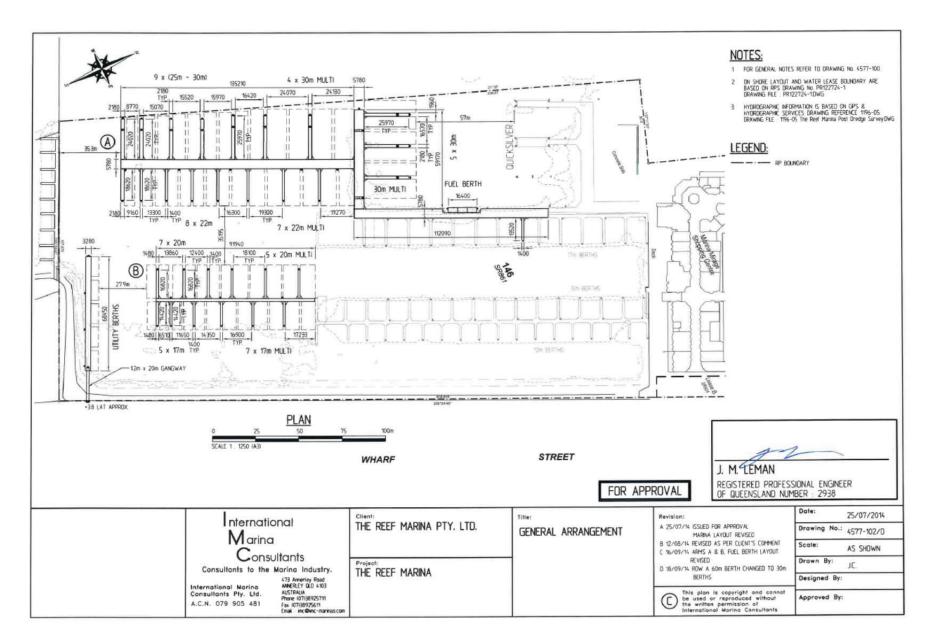
Under the *Sustainable Planning Act* 2009 and the *Sustainable Planning Regulation* 2009, Council is the Assessment Manager for the application.

## APPENDIX 1: APPROVED PLAN(S) & DOCUMENT(S)



Ordinary Meeting 24 March 2015





Ordinary Meeting 24 March 2015

The Reef Marina Pty Ltd						N/A		0
	1	DEVELOPERS	N/	ME		ESTATE N	AME	STAGE
0			Port Douglas		Lot 146 \$R861		2614	
STREET No. & NAME			SUBURB		LOT & RP No.8		PARCEL No.	
MCU			I	MCUC 449/2014		30-Sep-14		4
DEVELOP	MEN	TTYPE	•	COUNCIL FILE NO.		R&B INDEX QUARTER ENDING		VALIDITY PERIOD
43	5525		Ι			This logsheet is indexed appropriately only for payments made with the quarter noted above.		
DSC Refere	ence (	Doc . No.	+	VER	SION No.			
	DIST	\$ / EDC	Γ	NET EDC	ADJUSTMENT	AMOUNT DUE	AMOUNT PAID	Receipt Code & GL Code
WATER Existing	11	6,704.00	x	7.40	0.00	\$49,609.60		86GL 07470.0135.0823
Proposed	11	663.04	x	7.40	0.00	\$4,906.51		875GL 07470.0135.0824
Port Douglas		Water sub	to	tal		\$54,516.11		
SEWERAGE Existing	2	3,590.59	x	7.40	0.00	\$26,570.39	0	882 GL 07480.0135.0823
Proposed	2	537.47	x	7.40	0.00	\$3,977.31		888 GL 07480.0135.0824
Pt D Town Area		Sewerage su	b -	total		\$30,547.70		
OPEN SPACE	DSC	Агеа				\$0.00		894 GL 07230.0135.0825
Off-Site Car Parking	0.00					\$0.00		
					TOTAL	\$85,063.82		
Prepared by	Nell Beak				on		Amount Pald	v.
Checked by					on		Date Paid	
Date Payable								
Amendments	<u> </u>					Date	•	

#### Note:

The Infrastructure Charges in this Notice are payable in accordance with Section 629 of the Sustainable Planning Act 2009 (SPA).

Charge rates are subject to index adjustments (QLD Road & Bridge Index, ABS data as per SPA). The total charge amount indicated on this notice is current at the date of issue. The total charge due at the date of payment must reflect the current indexed value. Please contact the Development & Environment Douglas Shire Council prior to payment for review.

Charges are payable to: Douglas Shire Council. You can make payment at any of Council's Business Offices or by mail with your cheque or money order to Douglas Shire Council, PO Box 723, Mossman QLD 4873. Cheques must be made payable to Douglas Shire Council and marked 'Not Negotiable.' Acceptance of a cheque is subject to collection of the proceeds. Post dated cheques will not be accepted

Any enquiries regarding Infrastructure Charges can be directed to the Development & Environment, Douglas Shire Council on 07 4099 9444 or by email on enquiries@douglas.gld.gov.au

## **APPENDIX 2 – AMENDED INFRASTRUCTURE CHARGES NOTICE**

DOUGL	AS		2	006 & 20	08 Douglas	Shire Planning Sche	mes Applicatio	ons
SHIRE COU	NCI		_			UCTURE CHARG		
	The Reef Marina Pty Ltd					N/A		0
	0	EVELOPERS	N/	ME		ESTATE N	AME	STAGE
Whar	f Stre	et		Port	Douglas	Lot 146 SR861		2614
STREET	No. &	NAME		SUBURB		LOT & RP No.s		PARCEL No.
N	ICU			MCUC 449/2014		31-Dec-14		4
DEVELOP	MENT	TYPE		COUNC	IL FILE NO.	R&B INDEX QUAR	TER ENDING	VALIDITY PERIOD
43	5525						ked appropriately only for payments made within the quarter noted above.	
DSC Refere	nce D	loc.No.		VER	SION No.			
	DIST.	\$/EDC		NET EDC	ADJUSTMENT	AMOUNT DUE	AMOUNT PAID	Receipt Code & GL Code
WATER Existing	11	6,547.95	x	3.70	0.00	\$24,227.41		86GL 07470.0135.0823
Proposed	11	647.61	x	3.70	0.00	\$2,396.15		875GL 07470.0135.0824
Port Douglas		Water sub				\$26,623.56		
SEWERAGE Existing	2	3,507.01	x	3.70	0.00	\$12,975.95		882 GL 07480.0135.0823
Proposed	2	524.96	x	3.70	0.00	\$1,942.36		888 GL 07480.0135.0824
Pt D Town Area		Sewerage su	b -	total		\$14,918.31		
OPEN SPACE	DSC	Area				\$0.00		894 GL 07230.0135.0825
Off-Site Car Parking	0.00					\$0.00		
					TOTAL	\$41,541.87		
Prepared by		Nell Bec	k		on	16-Mar-15	Amount Paid	
Checked by		J Elphinst	on	9	on	16-Mar-15	Date Paid	
Date Payable								×
Amendments						Date		0
							Cashler	

Note:

The Infrastructure Charges in this Notice are payable in accordance with Section 629 of the Sustainable Planning Act 2009 (SPA).

Charge rates are subject to index adjustments (QLD Road & Bridge Index, ABS data as per SPA). The total charge amount indicated on this notice is current at the date of issue. The total charge due at the date of payment must reflect the current indexed value. Please contact the Development & Environment Douglas Shire Council prior to payment for review.

Charges are payable to: Douglas Shire Council. You can make payment at any of Council's Business Offices or by mail with your cheque or money order to Douglas Shire Council, PO Box 723, Mossman QLD 4873. Cheques must be made payable to Douglas Shire Council and marked 'Not Negotiable.' Acceptance of a cheque is subject to collection of the proceeds. Post dated cheques will not be accepted

Any enquiries regarding Infrastructure Charges can be directed to the Development & Environment, Douglas Shire Council on 07 4099 9444 or by email on enquiries@douglas.qld.gov.au

#### **APPENDIX 3 – APPLICANT REPRESENTATIONS**

17 Atherton Street Whitfield QLD 4870
M: 0447 323 384
E: nikki.huddy@planztp.com
ABN 83 128 085 870



About Disping

Council Ref: MCUC 449/2014

3 March 2015

Chief Executive Officer Douglas Shire Council PO Box 723 Mossman QLD 4873 Via email: Neil.Beck@douglas.qld.gov.au

#### Review of Infrastructure Charges – Reef Marina Lot 146 SR861, Wharf Street, Port Douglas

I refer to Council's Adopted Infrastructure Charges Notice for the *Reef Marina* at Wharf St, Port Douglas for \$85,063.82 consisting of:

a.	Water	\$54,516.11
b.	Sewerage	\$30,547.70

The purpose of this letter is to provide further information on the nature and scale of the use, to assist council in determining the correct infrastructure charge to be applied for the approved the expansion of the *Reef Marina* (net increase of 37 berths).

It is understood that Infrastructure Charges are the costs applied to development to support the provision of trunk infrastructure that services the development. The Sustainable Planning Act 2009, provides that Councils may require developers to pay *relevant and reasonable* charges towards the capital costs of infrastructure in order to meet the demand placed on trunk infrastructure networks by their development.

In July 2011, the State Government adopted a new system of charging known as Adopted Infrastructure Charges. The system sets a maximum charge for trunk infrastructure, and also sets out how Councils apply the charges and it is noted that the State did not set an adopted minimum for a Marina, listing it instead under the 'Other Uses' category, leaving the maximum charge to be determined by Council.

Council's Infrastructure Charges Notice has provided that charges are calculated at a net rate of 7.4 EDC (i.e.  $37 \times 0.2$ ). It is acknowledged that Council did not have detailed usage data to rely on in determining the rate of 0.2 EDC and the following information is provided to assist Council in

19



considering the application of a lower EDC rate i.e. submitted in support of an EDC rate that is *relevant and reasonable* to the use.

#### Marina Usage

The vast majority (95+%) of the people that visit the *Reef Marina* do so to go on commercial marine and reef tours. An increase in the number of these passengers or vessels will require no additional waste serviced as the waste generated by this group is collected on board the operators vessel and is dumped at sea in an approved manner.

With expansion will include metering of water usage at each berth. Currently no water pedestals metered in the *Reef Marina*. Metered pedestals will enable the marina operators to charge for water usage, this will drive down water usage, as pay for use comes with the incentive to reduce water consumption.

Vessels operating in Australian waters are required to have a holding tank to contain raw effluent until it can be

- a. pumped out professionally at the marina or
- b. released overboard in an approved area, while proceeding en-route.

It is recognised that most vessels that berth in Marinas release waste enroute, as they make their way to into Harbour. In the Port Douglas *Reef Marina* there are approximately:

- a. 39 commercial vessel 33 of these would have holding tanks which release waste en-route (most days)
- b. 10 non-commercial live aboard vessels with an average of 1-2 persons on board in a permeant or semi permeant arrangement, these individual use the recently upgraded toilet and shower facility dedicated for Marina berth holders.
- c. 35 non-commercial unoccupied vessels.

These figures are consistent with Marinas across Australia and the attached letter from International Marina Consultants Pty Ltd provides details on the likely use rates of a marina berths. The letter confirms that a typical demand is in the order of less than 0.1 EDC for both water and effluent.

Council is requested to consider a revised rate of 0.1 EDC for each new berth. The reduced EDC rate would result in the following Infrastructure Charges:

	0.2 EDC (net 7.4 EDC)	0.15 EDC (net 5.55 EDC)	0.1 EDC (net 3.7 EDC)
Water	\$54,516.11	\$40,887.09	\$27,258.06
Sewerage	\$30,547.70	\$22,910.76	\$15,273.85
Total	\$85,063.82	\$67,797.87	\$42,531.91

All About Planning



#### Comparison with other local governments

The Mackay, Whitsunday, Gold and Sunshine Coast Regional Councils have have continued the state government approach of recognising Marina as a 'specialised' or 'other use' – with the EDC to be determined at the time of assessment. No information is available on the rates recently charged in these areas, however Infrastructure Charges at Whitsunday and Sunshine Coast Regional Council are incentivised or discounted where development in certain circumstances such as where development is starting within 6 months of approval and where development will have a benefit to the community.

The Port Marina development is due to commence in May 2015.

The community benefit analysis of the Marina, is summarised in the following table:

Aspect	Description		
Utility benefit of having marina berths available	The availability of safe harbour berths in the Shire, for rough weather is a valuable contribution to tourism and to Port Douglas as a destination for ocean based tourism		
Transfer of Activity from elsewhere in Queensland	The strengthened numbers of Marina berths will result in the transfer of some activity from elsewhere in Queensland as a result of the attraction of marina berth owners, tourist visitors, and some permanent residents to Port Douglas town.		
Charter boat and Marina Facilities activity	The strengthened numbers of Marina berths will have a flow on benefit of increased business and economic activity in the Port / Inlet area.     Visitors and users of the marina are expected to undertake expenditure on goods and services in the wider area, in particular in the surrounding service areas of Port Douglas, Craiglie and Mossman.     Average expenditure per visitor per day is \$100 based on:     Average daily spend on domestic overnight visitors     Including 40% expenditure on food and drink outside of the Marina     Assuming 60% food and drink expenditure inside of the Marina		
Enticed Visitor Expenditure in broader region, outside of Port Douglas Marina			

#### Phasing the construction

The expansion of the *Reef Marina* will be undertaken in two phases, reflecting the logistics of working in the marina (i.e. water access for construction and not restricting access to existing marina users).

The phasing of the construction is to minimise the effect of construction on the fleet of Commercial Reef and other marine tour operators that are vital to the local and regional economy.

All About Planning



#### In summary

It is acknowledged that Council did not have detailed usage data to rely on in determining the rate of 0.2 EDC and this submission demonstrates that a lower EDC rate 0.1 EDC or less is *relevant and reasonable* to the use.

It is recognised across the Marina industry that vessels prefer to dump at sea than to dump at a designated location within a marina. It is cumbersome to dock at the birth, and odour and handling considerations are a disincentive, particularly compared to dumping at sea. The use of the Marina pump facility will be less than 0.1 EDC.

The use of water by vessels in marinas is also low, as primarily there is little to no live aboard berths. The redevelopment of the *Reef Marina* will include water metering which will further reduce the demand / usage of water. Industry experts again calculate water requirements to be less than 0.1 EDC.

Council is requested to review the developer contributions to a rate of 0.1 EDC or less.

I am available to discuss this matter further if required. Thank you for your consideration of this matter.

Yours faithfully

Nikki Huddy Director

All About Planning

## International Marina Consultants - Consultants to the Marina Industry

International Marina Consultants Pty Ltd Australian Company Number 079 905 481 GST Registration/Australian Business Number 85 079 905 481

473 Annerley Road ANNERLEY QLD 4103 AUSTRALIA Phone: (07) 3892 5711 Fax: (07) 3892 5611 International Access (617) Email: john@imc-marinas.com

Thursday 12 February 2015

The Reef Marina Wharf Street PORT DOUGLAS QLD 4877

#### ATTENTION ANDREW HOOPER-NGUYEN

Dear Sir,

#### Re: MARINA HEADWORKS CHARGES

There have been Local Authorities that have published equivalent tenement (ET) ratios for a marina berth, which is 0.2ET/berth.

We are not sure how they arrive at this figure but suspect they derived it from what they might consider similar (such as non-permanent caravan sites which are 0.2).

To review this with water usage is difficult as most marinas combine on-shore activities with wet berths. However, Runaway Bay Marina, as an example, had an annual water use of 4,921 kilolitres which included 280 wet berths, 280 dry stack and shipyard.

Obviously, if we took out the dry stack and shipyard it would be less but with them included it still only equates to 48 litres per day per berth.

This is about one tenth of a typical dwelling (where ET = 1).

Similarly, if you look at waste water you would have to get much less than a dwelling. Even using the recommended number of toilets for number of marina berths in the Marina Code (at 40 berths per toilet) the ET should be much less than the notional ET of 0.2

G://Projects/4577/Corres/4577L01.doc

International Marina Consultants Pty Limited

Page 2

At an ET of 0.1 (which is much higher than the above suggests is appropriate), the 37 overall additional berths would equate to an ET increase of around 4.

Yours sincerely INTERNATIONAL MARINA CONSULTANTS PTY LTD

JOHN LEMAN, BE, RPEQ, MIPENZ, ATBP No. CC4190W Director

G://Projects/4577/Corres/4577L01.doc