

**APPENDIX A**

**Sunshine Coast Regional Council Submission**

**to the**

**Discussion Paper: Infrastructure Planning and Charging**

**Framework Review**

**(Options for the reform of Queensland's local infrastructure**

**planning and charges framework)**

**19 August 2013**

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# **DISCUSSION PAPER: INFRASTRUCTURE PLANNING AND CHARGING FRAMEWORK REVIEW**

## **STRATEGIC OVERVIEW**

**Introduction.** The Business Council of Australia has recently released an Action Plan for Enduring Prosperity that outlines the direction governments should take to ensure the development of a prosperous future for Australia and Australians. One of the key components of this plan is strong economic growth and an imperative component of this growth is infrastructure investment: “we haven’t invested enough in infrastructure and the community and business are suffering the consequences. Infrastructure shortcomings are diminishing our quality of life, reducing our competitiveness and eroding community support for growth.” It suggests that significant investment in infrastructure would build the economy and deliver better outcomes.

The Discussion Paper for the review and reform of the infrastructure charges framework, which underpins the planning, construction and investment of infrastructure in Queensland local authorities, is fundamentally contrary to this Action Plan, with the resultant effect being a significant reduction in infrastructure investment, rather than the expansion of infrastructure construction.

**Revenue and Investments.** A revenue source for investment in infrastructure by local authorities is likely to be significantly eroded by many of the reform proposals including the reduced trunk infrastructure definition (and likely reduced charge level), the deemed trunk tests, appeal costs, offsetting and mandatory refunding arrangements. Over the past five years of the Sunshine Coast regional Council, revenue from Infrastructure Charges has averaged about \$12.5million per year. Investment in trunk infrastructure over that same period has averaged \$30million per year, with approximately \$15million each coming from Infrastructure Charges Reserves and General Revenue. Reduced revenue will see reduced investment.

**Balance.** The discussion paper seeks to address four key outcomes:

- Development feasibility;
- Local Government financial sustainability;
- Certainty; and
- Equity.

Council has concerns that the reform options effectively address and balance these competing interests. The gains for the development industry, in the likely event of a fall in charges, are diminished by the associated extended development assessment processes, dealing with infrastructure impact evaluations and uncertainty with planned or capped charges.

Many of the reform options significantly diminish Council’s ability to deliver a trunk infrastructure network to support the forecast population growth in south-east Queensland. Council suggests the framework should be amended to include high order local government road network elements, including arterial and sub-arterial roads, to include a higher allowance for land for open space and community facilities (in the order of 4 hectares per thousand people as well as basic embellishments, and to include active transport facilities (like bike lanes and major commuter pathway linkages).

These suggestions are made based on the movements in land use planning towards smaller lot sizes and overloaded road transport infrastructure. Smaller lots create a higher demand for kick and throw space in the open space network. The higher number and increased density of people create more trips on the road network by new users, and the active transport commuter network and public transport assets help to offset the need for expensive road expansions.

**Past Investments.** Council has invested in many major infrastructure assets using borrowings (e.g. Maroochy Boulevard road project), on the premise that future revenue would contribute to the loan repayments. These borrowings will now become fully, the responsibility of the rate base.

**Financial Viability.** There are some reform options that are likely to undermine the financial viability of Council and it is recommended that these options do not progress to the final framework:

- The deemed test;
- The reduced essential infrastructure list;
- The mandatory refund arrangements;
- A reduced capped charge.

Collectively, these reform options have the potential to completely remove all revenue to Council from Infrastructure Charges into the future.

**Uncertainty.** Council suggests that several areas of the proposed reforms create further uncertainty due to the document drafting and seek more specific definitions should these options be adopted:

- The deemed trunk test has caused significant variation in interpretation. Council agrees that alternative trunk infrastructure solutions proposed by development should be offsettable, but these solutions must meet the minimum specification of standards and be, by definition of the essential infrastructure list, trunk infrastructure, not simply “shared” as not all shared infrastructure is trunk.
- The essential infrastructure lists conditioning powers for no-net worsening of stormwater infrastructure. On-site management of no-net worsening impacts should not be offsettable and should therefore be removed from the essential list.
- Eligibility for offsets must be limited to the essential infrastructure list items to provide certainty for budget purposes.
- Clarification of the split of the capped charge for local government and distributor/retailer (D/R) entitlements. The water and sewer components of the essential infrastructure list are generally maintained, which could imply the D/R is to receive a greater component of the eventual capped charge, further diminishing local government revenue.

**General.** Council also suggests some other improvements to the new framework:

- Commitment to the new framework for an extended period of time to allow for the adoption of new policy documents, testing of the framework, and certainty for development. A period of 3-5 years is suggested in the Paper and is supported.
- The framework, which currently seeks to be a development stimulus funded wholly by local government revenue reductions, should be coupled with other State

Government incentives to broaden the benefit and cost cutting measures to the development industry, and in so doing, reduce the burden placed wholly on local government.

The cumulative effect of these proposed reforms – reduced scope of trunk infrastructure, probable reduced revenue, increased offsets and refunds, deemed trunk tests, limited conditioning powers – are seriously concerning to Council's ability to deliver a trunk network and maintain a QTC credit rating to borrow.

Fundamentally, this proposed policy position limits the responsibility of the developer to deliver necessary infrastructure, widens the developer's ability to secure an offset for infrastructure that is necessary to service the development (with little wider community benefit), and alludes to the minimisation of the charges paid to local government. This is inequitable for the community which will be left with the costs to cover the gap in the construction of trunk infrastructure. Unless the State pulls back or alternative funding sources are found, Sunshine Coast ratepayers could face a 6% rate rise to fund the shortfall.

**OVERALL REFORM OUTCOMES** The Discussion Paper identifies four major Reform Outcomes. These are provided below, with comments applying to the results, also listed in the Discussion Paper. The outcomes sought are supported but some results are questioned in light of the details provided throughout the Discussion Paper.

#### **Development Feasibility –**

- “Linking the quantum of infrastructure charges to a development's demand for infrastructure”.
  - Council agrees with this premise for the development of infrastructure charges.
  - The reduced definition of trunk infrastructure, however, fails to recognise the demand placed on the items that have been eliminated. In Council areas where significant growth is expected in the next 20 years, higher order roads, for example, will be significantly impacted and there is a nexus between development demand and major roads as this is the basis for transport planning models.
- “Minimising risks to development associated with infrastructure contributions (including time delays, increased holding costs and uncertainty)”
  - Council disagrees that this framework delivers on this outcome. The “Deemed trunk” infrastructure test alone is likely to slow application times and increase uncertainty of the validity of offset claims.

#### **Local authority financial sustainability**

- “Supports the long term financial sustainability of local authorities and the planning, delivery and maintenance of local infrastructure by local authorities.”
  - Council disagrees that the framework is delivering on this outcome. There is significant risk to Council's ability to deliver the trunk network;
  - This framework exposes Council to reduced revenue, increased potential for offsets and refunds, and extended assessment periods.

- Councils may need to limit development fronts to limit financial exposure for infrastructure delivery.
- “The framework is cost effective and administratively simple to implement and maintain”.
  - Council agrees that a simple system is ideal; however, infrastructure charges are inherently complex. The “Deemed trunk” test adds significant complexity.
  - The administrative burden to Council of implementing and maintaining infrastructure charges currently equates to a significant annual investment.

### **Certainty**

- “The framework is simple to understand, implement and use”.
  - Council agrees that the framework should be simplified.
  - Council would disagree the proposed framework simplifies the process of charging with many elements made more complex including the transition process, the setting of offset values through the standard specification or the actual cost procurement process, reduced capacity to plan the revenue stream with the complexity of the offsetting and deemed trunk provisions, cross crediting, refunds and a yet-to-be-determined land valuation process, and increased appeal rights likely to increase the number of appeals to the courts.
  - The new mechanism should be implemented and committed as the system for an extended period of time to give all stakeholders an opportunity to adopt a compliant infrastructure plan, implement the new framework and work within the plan for several years.

Significant local government uncertainty in setting the annual budget will result, with greater exposure to offsets and refunds;

### **Equity**

- “Only infrastructure essential for development is eligible for infrastructure charge contributions.”
  - Council would agree with this outcome if the reverse is also true and the community was not responsible for infrastructure required to service a development which is the likely impact of the proposed expanded offsetting test arrangements.
  - Fundamentally, this policy position limits the responsibility of the developer to deliver necessary infrastructure, widens the developers ability to require an offset for infrastructure that is required to service the development (with little wider community benefit), and alludes to the minimisation of the charges paid to local government. This is inequitable for the community who will be left with the costs to cover the gap in the construction of trunk infrastructure.

**DISCUSSION PAPER: INFRASTRUCTURE PLANNING AND CHARGING FRAMEWORK REVIEW: HAVE YOUR SAY  
SUNSHINE COAST REGIONAL COUNCIL RESPONSE TO QUESTIONS**

QUESTIONS:	ANSWERS:
<b>5.1 Infrastructure scope</b>	
<i>General</i>	
<p>Q1. Do you support the removal of items from infrastructure scope that do not have a clear nexus with a development site?</p>	<p>No. This question is framed in the discussion paper position on the premise that essential infrastructure is defined as only having immediate impact &amp; benefit to a particular development site.</p> <p>Council's position is that such nexus needs to relate to all trunk infrastructure that services all development.</p> <p>Nexus relating to infrastructure scope and development should be linked to appropriate network planning, thereby having a network connection, rather than a physical connection to any one development.</p> <p>Where infrastructure scope does not meet the appropriate nexus linked to proper network planning, it is then supported in its removal.</p> <p>The paper suggests that the nexus lies with a development enjoying a direct benefit from 'trunk' infrastructure. Appendix 4 provides the example of removing higher order local government Arterial Roads. However, the direct benefit is actually derived through a network capability, not by a direct physical connection. The nexus is real but simply not necessarily residing adjacent to many developments.</p>
<p>Q2. What infrastructure items would you include/remove from the example essential infrastructure list (Appendix 4)?</p>	<p>The well-established definition of trunk (essential) infrastructure is the <u>higher order shared infrastructure</u>. The items listed should remain with the further inclusion of:</p> <ul style="list-style-type: none"> <li>• stormwater capacity;</li> <li>• stormwater quality;</li> <li>• higher order local government roads;</li> <li>• principal off-road bikeways/pathways;</li> <li>• roadway drainage;</li> <li>• bus shelters;</li> <li>• for parks and community facilities - a reasonable amount of embellishment is needed. (Remove '<i>condition the development etc...</i>' and '<i>charge for etc...</i>' and replace with '<i>park provision at the previously endorsed chargeable rate of 4.8 h per 1,000. Should this rate be reduced, then Local parks should not be included as an asset delivered through charging and that only district and regional parks be considered trunk (essential) and that embellishments should be allowed for these higher order facilities with a list to be responsibly provided by the State.....</i>')</li> </ul> <p>The current guidelines regarding items and embellishment inclusions and exclusions should remain but be amended to include quantification of items per category.</p> <p>For further comments on the proposed changes to infrastructure planning for Public Parks and Land for Community Facilities network, please refer to the Attachment "<i>SCRC - Open Space Comments on Discussion Paper</i>".</p>

QUESTIONS:	ANSWERS:
<i>Local authority focus</i>	
Q3. What impacts do you believe the tightening of infrastructure scope will have on your local authority's operations and activities?	<p>The tightening of the infrastructure scope is essentially a reduction in items previously considered as higher order infrastructure, that is trunk.</p> <p>The indication is that the State will remove all Stormwater, higher order local government Roads, such as arterial roads and sub-arterial, shared off-road pedestrian/cycle pathways, trails and bus shelters, reduced charging ability for land for open space and community facilities (~60% reduction) and the removal of parks embellishments. Tightening the infrastructure scope does not reduce the infrastructure task for local government.</p> <p>Any reduction of infrastructure scope will adversely impact on Council's financial ability to provide the missing infrastructure and possibly stall development, increase rates, and lower levels of service. (Refer to <b>Examples 5.1A</b> and <b>5.1B</b>)</p>
Q4. What will likely be the approach to the delivery of infrastructure no longer covered by the essential infrastructure list?	<p>The infrastructure task is not diminished simply because the trunk (essential) list is reduced. Council will need to consider priorities and service levels to the community. Alternative funding sources, such as raising rates in general or by locality, will need to be considered.</p> <p>Without knowing the associated charging levels it is difficult to quantify, but if Council's financial position is such that development can't be supported, then a strategy will need to be developed to focus on balancing development approvals where existing infrastructure is optimised and excluding development where supporting infrastructure cannot be funded.</p>
<b>5.2 Identification of trunk and non-trunk infrastructure</b>	
<i>General</i>	
Q1 Do you support the development of a 'test-based' approach to support the identification of trunk and non-trunk infrastructure?	<p>No - Development of a 'test-based' approach in identifying trunk and non-trunk infrastructure is not supported.</p> <p>The best way is to have it accurately identified in the LGIP (PIP). The State would need to provide appropriate infrastructure planning guidelines, addressing clarity and equity, and certainty will follow.</p>
What do you consider the implications of identifying trunk infrastructure using this approach will be?	<p>Once the identification of trunk infrastructure becomes ones of interpretation and determined at individual development assessment/delivery processes, the benefits, clarity and certainty for all parties are lost.</p> <p>The State needs to set the guidelines for determining trunk, local authorities then provide the trunk infrastructure lists and certainty is provided. Otherwise, local authorities will be left in a development assessment conundrum where financial "penalties" are uncertain, delaying the assessment process and creating unnecessary disputes with developers and their agents.</p>

QUESTIONS:	ANSWERS:
<p>Would you support the introduction of a standardised minimum specification for trunk infrastructure (e.g. minimum pipe diameter for trunk water reticulation)?</p>	<p>No - Standardising trunk infrastructure definition by minimum specifications presents problems.</p> <p>What is trunk in a small to medium local authority would not be such in a large local authority. Minimum pipe diameters or road hierarchies are sound examples; a 200mm water main or an urban road with 3000 vpd would not be considered as trunk in large local authorities such as the Gold or Sunshine Coasts. However, setting categories of local authorities with appropriate standardised minimum specification may be appropriate.</p>
<p><b>5.3 Infrastructure planning</b></p>	
<p><b>General</b></p>	
<p>Q1. Do you support increased standardisation of the infrastructure planning process through:</p>	
<p>1. a standard methodology for apportioning costs</p>	<p>Yes (consultation during development)</p>
<p>2. standard schedule of works model</p>	<p>Yes (consultation during development)</p>
<p>3. standard demand generation rates?</p>	<p>Yes (consultation during development)</p>
<p>Q2 Of the options presented in the paper, which standard apportionment methodology do you prefer? Why?</p>	<p>Average Cost Methodology - simpler and is better placed to include existing deficiencies, thereby identifying an existing residents' contribution.</p>
<p>Q3. Do you support the introduction of a third party review process for infrastructure plans (LGIP and Netserv Plans)?</p>	<p>Yes - should result in a "no appeal" situation.</p> <p>Third party review should be undertaken and certified progressively at time of preparation by qualified and State approved third parties.</p>
<p><b>Local authority focus</b></p>	
<p>Q4. What do you consider the impacts of a standardised infrastructure planning process would be on the time and resources required to undertake infrastructure planning?</p>	<p>No more than good planning should embrace in any case. If it results in clarity, transparency and certainty, then it is worth it.</p>
<p>Q5. Should the standardised infrastructure planning approach apply to both Netserv Plans and LGIPs?</p>	<p>Yes - Trunk infrastructure planning should be similarly based and applied irrespective of who is undertaking it.</p>



QUESTIONS:	ANSWERS:
<b>6.1 Capped charges</b>	
<b><i>Charge differentiation</i></b>	
Q1. Do you support the differentiation of infrastructure charges (either by location or infill/Greenfield development)?	<p>No. While the principle has merit, the move from a simpler approach, such as averaging, is not warranted.</p> <p>The only differentiation should be for areas where not all networks are provided i.e. if property is not connected to the Water Supply or Sewerage network, then the applicable charge reduces accordingly.</p> <p>Under a capped regime it is akin to a tax and not linked to sound infrastructure planning, costing and attribution, as this is attempting to apply a planned charge approach under a capped charge regime</p>
Q2. If yes, what advantages do you consider the differentiation of infrastructure charges would provide?	N/A
<b><i>Refinement of charge categories</i></b>	
Q3. Do you support the proposed refinement of charge categories?	<p>No - Current capped charges have no correlation with the cost of providing trunk infrastructure and the apportionment of that cost against the end users.</p> <p>Refinement of the charge categories is a cosmetic fix that looks to make the capped charge "fairer" based on a hypothetical demand.</p> <p>However, this Council has introduced this process in the SPRP (Adopted Charges) where possible in an attempt to be fair where it does not have broad implications.</p> <p>Council's primary support is for the introduction of a fair and accurate planned charge.</p>
Q4. What charge do you consider would be appropriate for each of the listed use types?	<p>Unable to suggest capped charges below a proper assessed planned amount.</p> <p>However, based on correctly previously proposed PIP and ICS based planned charges, the following developments should be differentiated according to the demand placed on networks (N.B. This has also been applied by this Council's adopted charges where possible and does not have broader implications):</p> <p><b>RESIDENTIAL:</b></p> <ul style="list-style-type: none"> <li>- 3+ bedroom dwelling = 100% Residential Charge Rate (around \$30,000 average)</li> <li>- 2 bedroom dwelling = 70% Residential Charge Rate (i.e. 21,000)</li> <li>- 1 bedroom dwelling = 50% Residential Charge Rate (i.e. \$15,000)</li> </ul> <p>- Retirement residential housing developments = 70% of the proposed standard residential rates since the number of occupants that normally reside in these dwelling are governed by rules that normally limit permanent residents &amp; visitors.</p> <p>- Short Term Accommodation = 50% of standard residential rates per bedrooms (where for dormitory style accommodation, 2 beds or 25m2 gfa equates to 1 bedroom, per camp/caravan site equates to 1 bedroom, cabin per number of bedrooms).</p>

QUESTIONS:	ANSWERS:
	<p>Introducing another type of charge rate category (i.e. \$/bed) just further complicates charges unnecessarily.</p> <p><b><u>NON-RESIDENTIAL:</u></b></p> <ul style="list-style-type: none"> <li>- GFA rates should simply include stormwater allocation in the same way as applied to residential development to avoid conflicting impervious area arguments and to simplify. i.e. add the \$10 to gfa adopted charge unit rates.</li> <li>- <u>High Demand Uses</u> (Retail &amp; Entertainment) = 100% Non-Res Charge Rate (\$300-\$350/m2 gfa)</li> <li>- <u>Medium Demand Uses</u> (Office, Showroom, Essential Services, Education) = 60% Non-Res Charge Rate (i.e. \$180-\$210/m2 gfa).</li> <li>- <u>Low Demand Uses</u> (Industry, Assembly &amp; Sport/Recreation) = 30% Non-Res Charge Rate ( i.e. \$90-\$105/m2 gfa).</li> </ul> <p><b><u>OTHER COMMENTS:</u></b></p> <ul style="list-style-type: none"> <li>- Sport &amp; Recreation uses (non-court areas) should resemble similar charge rate as for medium demand uses and not the highest rate currently for Entertainment use. It would also simplify all problems if a rate was struck that combines the whole court and non-court areas into 1 charge rate covering the whole development gfa. i.e. similar to industry rate. (This use could also be exempt from parks component as the use provides an alternative).</li> <li>- Residential Care development should reduce to 70% charge for medium demand use (or 50% transport &amp; parks component)</li> <li>- Education Uses should only charge \$/gfa for classroom &amp; administration areas since all other areas are really ancillary to the use &amp; not really adding to network demand (unless they are opened to the public for non-education activities where then the charge for that use should then apply proportioned to the period approved for external public use).</li> <li>- All charge rates need to be subject to normal and simple indexation from a base date in order to maintain some true cost perspective and not subject to the current ad-hoc, highly variable and additional assessment processes applying under the current legislation for adopted charges.</li> </ul>
<b>6.2 Planned charges</b>	
<b>General</b>	
Q1. What is your view on the use of two separate impact assessments to determine the appropriateness of a planned charge?	<p>This appears a total waste of time and resources with little benefit other than to stifle the planned charge process.</p> <p>It is an attempt to provide a level-handed approach, but does not succeed.</p> <p>For a local authority area, the impact on sustainability ratios will be "repaired" by simply raising rates further or borrowing more.</p> <p>How can a development feasibility, at a snapshot in time, be undertaken given the multitude of factors that can affect feasibility widely across individual developments.</p>

QUESTIONS:	ANSWERS:
Q2. What viable and practical alternative methodologies do you consider appropriate to test the appropriateness of a planned charge?	<p>The State would set standards, generally endorsed by both local authorities and the development industry. Develop Planned Charges in accordance with guidelines, certified by a continually engaged third party. Apply without appeal.</p> <p>Propose the following tests:</p> <p>test 1: a reasonable and relevant trunk infrastructure network identified</p> <p>test 2: accurate cost of the trunk infrastructure network</p> <p>test 3: fair apportionment of the costs across users of the infrastructure</p> <p>test 4: independent peer review of tests 1, 2 &amp; 3</p>
Q3. Does your organisation consider an appeals process appropriate? If so, why, for what issues and what would the process look like?	No - Subject to satisfactory test in Q2, appeals should not be required.
Q4. Should a local authority be able to apply planned charges to particular locations within a local government area, with capped charges applying to remaining locations?	<p>Yes - Support ability to have both capped and planned charges. Generally, planned charges are preferred, but a single large development, might, in special circumstances, warrant a planned charge approach with mutual benefits.</p> <p>The previous method under a Regulated Infrastructure Charges Schedule was appropriate where the development of fully costed plans for trunk infrastructure and planned charge rates were not warranted for a particular network. These Regulated charge rates were very low, however provided some contribution and assistance in delivering the future infrastructure identified in the PIP, benefiting all development.</p>
<b>7.1 Conditions</b>	
<b>General</b>	
Q1. What impacts do you consider the proposed option would have for you (your organisation)?	<p>The impacts would be severe. The trunk infrastructure tests are so open that any shared infrastructure conditioned or simply desired and provided by a development would attract an offset (Refer <b>Examples 7.1A, 7.1B &amp; 7.1C</b>). Local governments will be collecting less than offsets will attract. Development assessment will falter as financial consequences of approval will be considered. Infrastructure agreements will become prolific.</p> <p>1. Concern with what is meant by “Deemed Infrastructure” and how this will be defined. What criteria will be used to determine whether infrastructure is “deemed”? It is unreasonable to expect a considered response to this question without at least providing some detail on what this criteria will be. The absence of such detail is disappointing as it does not encourage open debate, only raises concerns that the “devil will be in the detail” that will create an impost on Local Governments. This further erodes an already depleted revenue stream that is intended to fund trunk (essential) infrastructure.</p> <p>2. Offsets should be limited to infrastructure included in the Planned Infrastructure list and in the charge (or its equivalent). To introduce a class of infrastructure that is not charged for yet Local Governments have to pay for as an offset is neither fair, nor equitable, nor sustainable. It should be noted that if the “deemed” infrastructure had been in the planned network the gross infrastructure charge would be greater and after offsetting the deemed items the net charge would be of the same order as if</p>

QUESTIONS:	ANSWERS:
	<p>the deemed infrastructure was neither charged for nor offset.</p> <p>3. Only some developments will have “deemed” infrastructure. Allowing these developments to offset this infrastructure is inequitable and will disadvantage development that does not have “deemed” infrastructure. (Refer to <b>Example 7.1D</b>) That is, some development will have a reduced charge but others will not. Therefore the latter will effectively be paying a higher charge.</p> <p>4. Goes against basic principle of development paying for its share of the Trunk Infrastructure as it effectively reduces a developments contribution to the Planned Trunk Infrastructure. This in turn will adversely impact on Local Governments to deliver the Planned Trunk Infrastructure. Further depletion in the Council’s trunk infrastructure revenue stream is likely to lead to:</p> <ul style="list-style-type: none"> <li>a. Lower levels of service,</li> <li>b. Trunk infrastructure being delayed or not provided,</li> <li>c. Development not able to proceed,</li> <li>d. Increased rates</li> </ul> <p>5. If this concept is being considered to counter specific actions taken by some Local Governments in implementing the Adopted Charges Regime it is not going to resolve the issue. The source of the problem is in disconnecting the charge from the cost of providing the infrastructure and having everyone pay for their fair share. The most appropriate solution is a return to the basic principles of fair and equitable apportionment of the trunk infrastructure cost and a development paying for its fair share of the cost of that infrastructure.</p> <p>6. Introduces another layer of complexity that is going to create:</p> <ul style="list-style-type: none"> <li>a. uncertainty,</li> <li>b. demand on administrative resources and funds,</li> <li>c. disagreements and disputes between Local Governments and developers,</li> <li>d. delays in Development Assessment and issuing of approvals, and</li> <li>e. discourages efficient and optimal infrastructure installations.</li> </ul> <p>7. The system has already become unwieldy and unnecessarily complicated and this concept is going to make it worse. Value needs to be placed on providing basic, fair, simple and sustainable approach to the provision and charging of infrastructure.</p>
<b><i>Local authority focus</i></b>	
<p>Q2. Do you have any current mechanisms that are used to determine unplanned (i.e. mapped) infrastructure to qualify as trunk or non-trunk for the purpose of setting conditions?</p>	<p>There are no formal processes that assess whether non-planned infrastructure is trunk and have its cost offset against the infrastructure charge. Generally infrastructure will only be offset if it is “planned” or is an acceptable equivalent.</p> <p>There have been a small number of instances in the past where representations have been made for non-trunk infrastructure that exceeds that required for a development and an infrastructure agreement has been negotiated to offset the increased cost component only if it was required/conditioned by the Council due to special circumstances. (refer to <b>Example 7.1A item3</b>)</p>

QUESTIONS:	ANSWERS:
Q3. Could you envisage that such criteria would reduce the amount of negotiation currently undertaken to resolve disputes of this nature?	<p>No. This will introduce more work in having to consider requests for offsets to be assessed against what is likely to be ambiguous criteria. This will most likely increase the number of representations made for offsets. Some will be genuine but others will not and will be submitted on a “give it a go and see what happens” basis.</p> <p>Inevitably this will result in an increased number of disagreements and disputes with the main loser being be the community which, will not only have to pay for the additional offsets but also have to pay for the additional administrative and dispute resolution costs.</p> <p>Every effort should be made to simplify the process. Unfortunately the deemed infrastructure concept will have the opposite effect. This will create uncertainty and with that will come many negative outcomes, including more challenged decisions and negotiated outcomes. Delays with antagonism will result.</p> <p>However, should a situation arise where current non-trunk infrastructure is upsized to cater for a potential future development, this could be facilitated by allowing a quick and easy process for amending the planned infrastructure and charge.</p>
Q4. Could you estimate the number of applications received where the identification of infrastructure which is trunk or non-trunk was unclear?	<p>Unable to quantify this as it is not understood what is meant by “unclear”.</p> <p>Where trunk is limited to what is “planned” there is complete clarity. Introducing another type of "deemed" infrastructure is going to introduce complete uncertainty.</p>
Q5. What other impacts do you believe the proposed options would have on local authority operations and activity?	<p>Threats to local government financial capability.</p> <ol style="list-style-type: none"> <li>1. “Deemed” infrastructure will in most instances be internal and limited to servicing a small number of developments with limited areas. It is unreasonable and impractical for Councils to plan such infrastructure and include it in a charges regime.</li> <li>2. Potential delays in development assessment in an effort to avoid “deemed” being conditioned.</li> <li>3. Undesirable outcomes in providing less efficient infrastructure.</li> </ol>
<b><i>Development industry focus</i></b>	
Q6. Do you believe the proposed option would increase or decrease the cost impact of conditions?	Does not require response from Council.
Q7. Would proposed changes provide increased certainty?	Provide the opposite. How could anyone consider that such lack of definition of trunk could support increased (or any) certainty?
<b>7.2 Offsets and refunds</b>	
<b><i>General</i></b>	
Q1. Do you support reform of the current offsets and refunds arrangements?	Yes

QUESTIONS:	ANSWERS:
<b><i>Local authority focus</i></b>	
Q2. What do you believe would be the scale of financial impact on local authorities associated with a mandated offsets and refunds policy?	<p>With the exception of cross network and cross development transfers, the proposed arrangements are not greatly different to that currently operating for this Council.</p> <p>Transferring refunds as credits between developments is not supported as it would be difficult to administer with potential problems with:</p> <ol style="list-style-type: none"> <li>1. Allocation of credits; who decides?</li> <li>2. Variations in charges rates and demand rates between different locations</li> <li>3. If there is change of ownership does the credit stay with the land or go with the developer.</li> <li>4. Infrastructure charges will inevitably be passed to new buyers.</li> </ol> <p>Otherwise the impacts of the proposed reform should be limited particularly if Council charges are consistent with the cost basis used for calculating offsets and refunds.</p>
Q3. What other impacts do you believe the reforms to offset and refunds calculation would have on local authorities' operations and activities?	As noted above.
<b><i>Development industry focus</i></b>	
Q4. What do you believe would be the scale of financial impact associated with any of the options outlined for reform of offsets and refunds arrangements?	Does not require response from Council.
Q5. What impacts do you believe the proposed options for reform of offset and refund arrangements would have on development activity?	Does not require response from Council.
<b><i>Land valuation methodology</i></b>	
Q6. Do you support the introduction of a standardised land valuation methodology?	Yes
Q7. If yes, what parameters do you consider should be applied?	<p>Greenfield or vacant land - Based on DNRM Unimproved Capital Value.</p> <p>Developed serviced land – based on market value</p>

QUESTIONS:	ANSWERS:
<b>7.3 Credits</b>	
<b>General</b>	
Q1. Do you support the introduction of a mandatory crediting methodology for local infrastructure charges?	<p>Yes. But again, without details on what is proposed it is not possible to properly evaluate or comment.</p> <p>General principles that should apply:</p> <ol style="list-style-type: none"> <li>1. Credits assessed and applied as demand consistent with the charge calculation and not as a dollar value.</li> <li>2. Applies for existing lawful use or previous contributions basis whichever is the greater.</li> <li>3. Will need to consider conversions from previous charging systems that are consistent with the new charges. (Example PSP to ICP to adopted charge to a new proposed capped/planned charge)</li> <li>4. Should be able to apply different credits for separate networks to cater for contributions made under previous approvals.</li> <li>5. The onus lies with the applicant to provide evidence of previous historic contributions if claimed to be greater than the standard existing lawful use credit or Council records.</li> <li>6. Needs to have flexibility to deal with unique situations.</li> </ol>
Q2. What impacts do you consider the proposed mandatory crediting process would have for you (your organisation)?	<p>Should have a minimal impact provided the requirements for recording and reporting for the credits register is not excessive.</p> <p>This can only be properly assessed when full details are available.</p>
<b>Local Authority Focus</b>	
Q3. What do you anticipate would be the time and resourcing requirements for a mandated crediting methodology?	<p>It is anticipated that this could be managed as part of the Infrastructure Charges Register.</p> <p>There may be some time and cost associated in making the necessary changes to the current system. However, assuming the recording and reporting requirements are reasonable, the operation of the system should be able to be handled by existing resources provided old historical information is not required. (Consultation is required with Local Governments)</p>
<b>Development industry focus</b>	
Q4. How would the establishment of a register for the collation of credits affect you (your organisation) in the preparation of development applications and planning?	<p>Does not require response from Council.</p>
<b>7.4 Appeals and dispute resolution</b>	
<b>General</b>	

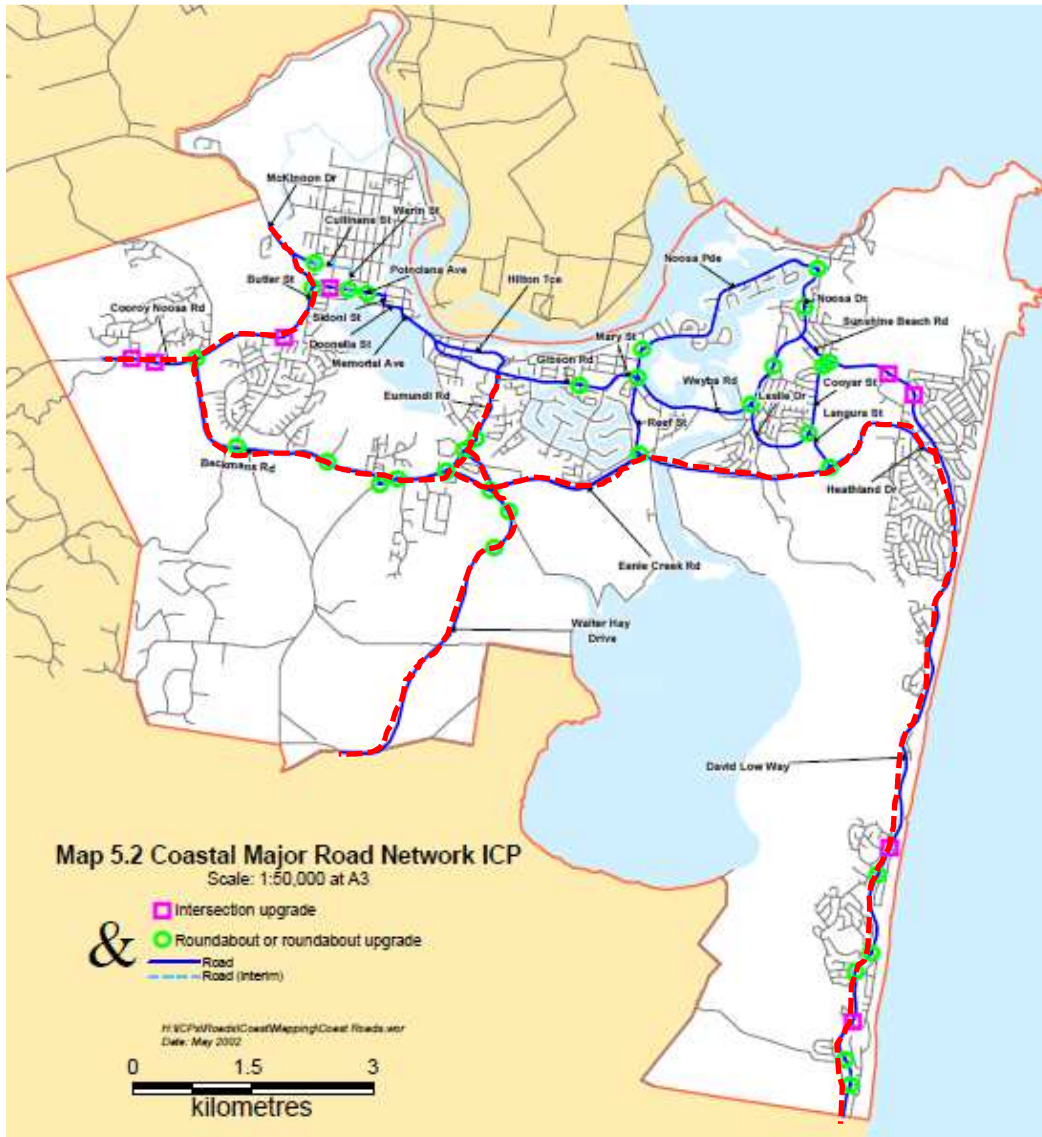
QUESTIONS:	ANSWERS:
Q1. Do you support the introduction of a Planning and Environment Court led mediation process prior to the lodgement of an appeal with the Court?	Yes - Introduction of mediation is supported prior to any lodgement of an appeal, however, rules need to be clear & concise to stay on track & to throw out unrelated issues.
Q2. What time and cost impacts would a Planning and Environment Court led mediation process prior to lodgement of an appeal be likely to have on your (your organisation's) dispute resolution costs?	Time and cost impacts are unknown as every case is different, however it is assumed that it would be much less than having to undertake the current full blown Court hearings.  The mediation & any subsequent court appeal must only be about an error in the calculation of the charge.
<b>7.5 Infrastructure agreements</b>	
<b>General</b>	
Q1. Do you consider that infrastructure agreement negotiation would be enhanced by the establishment of a time limit for negotiation?	No - Time limit for negotiation of an IA is not supported as what happens after that time should agreement not be reached?  If the major rules surrounding provision of trunk infrastructure and offsets against charges are legislatively clear, then no disagreement would occur.
Q2. Would the development of guidelines support your organisation's use of infrastructure agreements? What guidance information should be included?	Yes - Development of guidelines for use of IAs is supported however if the issues are addressed properly in the legislation in the first place, most of the issues could be sorted and possibly negate the use of IA's.
Q3. What impacts do you believe reforming infrastructure agreements would have on development activities?	Reforming IA's may simplify the administration component of the development activity but have minimal impact regarding the primary undertaking of the development itself.
<b>7.6 Deferred payments</b>	
<b>General</b>	
Q1. Do you support the introduction of a deferred payment mechanism?	Yes - Agree to support introduction of a deferred payment mechanism <u>provided</u> Legislative security is provided to local government (re ROL's) & associated costs are not transferred to local government i.e. requires an interest & administration cost component on outstanding balances.



QUESTIONS:	ANSWERS:
<b><i>Local authority focus</i></b>	
Q2. Would you introduce a deferred payment mechanism?	<p>Yes, provided payment could be guaranteed, from the developers. This Council has already introduced &amp; operates a staged payment facility for infrastructure charges triggered by MCU's &amp; BA's.</p> <p>It requires 25% payment by due date followed by 4 x six monthly payments (made in stipulated months of June &amp; December) with outstanding balances attracting 7% compound interest to cover Council's borrowing &amp; additional administration.</p>
Q3. What do you anticipate would be the time and resourcing requirements to implement a deferred payment mechanism?	<p>This Council's introduction of deferred payments for infrastructure charges applicable to MCU's &amp; BA's have increased the administration work load by up to 20% (i.e. catering for initial deferred payment review, approval &amp; management/compliance and follow-up of required payments).</p> <p>Introduction of deferred payments for ROL's could dramatically increase the administration due to its application to multiple lots at varying &amp; unknown times compared to current system of applying to a single development (or stages) payable at a specified one off time.</p>
Q4. Are there any issues with mandating the payment of charges at plan sealing and no earlier unless otherwise agreed?	Mandating payment of charges to be <u>only</u> at plan sealing is an unnecessary proposal as it is the developer's choice should they wish to pay earlier before the stipulated due date being at the time of plan sealing by Council.
<b><i>Development industry focus</i></b>	
Q4. Do you anticipate any benefits from the deferral of infrastructure charges payment?	May give developers some alternative financing options for a period until sales occur.
<b>8.1 Alternative funding and financing</b>	
<b><i>General</i></b>	
Q1. Do you support the proposed position outlined above in relation to alternative funding and financing mechanisms?	Whilst councils may wish to investigate alternative funding and financing mechanisms, there can be no acceptance of lessened infrastructure charges forcing councils into using these mechanisms. Agree that alternative funding will have limited application.
<b>8.2 Resolutions and distributor-retailer board decisions</b>	

QUESTIONS:	ANSWERS:
<b>General</b>	
Q1. Would you support the introduction of a third party review/endorsement process for resolutions and board decisions to ensure compliance with the relevant provisions of SPA?	<p>No - Based on limited detail provided, there does not appear a need to require "<i>third party review/endorsement process for resolutions</i>".</p> <p>The State is given copies of all Local Government Resolutions and can review at any time for compliance with the legislation.</p>
Q2. If you do not support the introduction of a third party review/endorsement process, do you have an alternative suggestion?	If there is a legal issue with resolutions then it is already dealt with through the current appeal provisions or State direction.
<b>8.3 Transitional arrangements</b>	
<b>General</b>	
Q1. What are the key framework issues to be addressed through transitional arrangements?	<p>Requires clear, precise and easy to implement arrangements for all stakeholders.</p> <p>In particular, this needs to address how contributions previously applied to development under PSP, ICP, Adopted Charges regimes is to be treated under any new proposal.</p>
Q2. What time period is required to support full transition to the new framework?	Unable to comment on transition periods until the final make-up of the charges regime is known.

## EXAMPLE 5.1A – Impact of Removing Council Arterial Roads on Noosa Coastal Major Road Network



— Arterial Roads

— Sub-Arterial & District Collector Roads

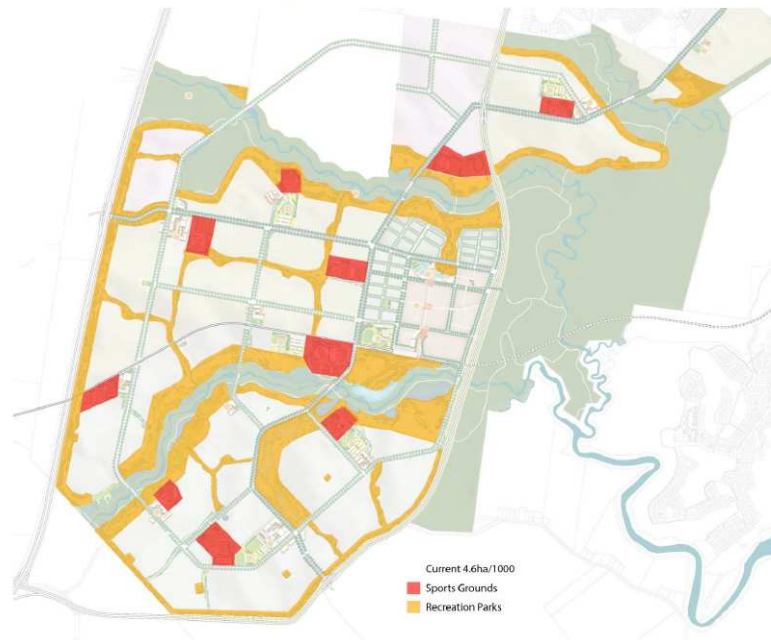
	At CPI June 2013	102.5			
	Existing Value	Future Costs	Total Value		
<b>Total All Trunk Roads Coastal Road Network =</b>	<b>\$ 160,907,600.00</b>	<b>\$ 64,990,500.00</b>	<b>\$ 225,898,100.00</b>		
<b>Arterial Roads</b>					
Beckmans Road	\$ 3,103,700.00	\$ 16,224,100.00	\$ 19,327,800.00		
Butler Street	\$ 430,600.00	\$ 3,335,800.00	\$ 3,766,400.00		
Cooroy - Noosa Road	\$ 2,858,900.00	\$ -	\$ 2,858,900.00		
David Low Way	\$ 14,407,700.00	\$ 5,067,400.00	\$ 19,475,100.00		
Eenie Creek Road	\$ 53,995,400.00	\$ 22,137,600.00	\$ 76,133,000.00		
Eumundi - Noosa Road	\$ 4,495,800.00	\$ 576,200.00	\$ 5,072,000.00		
McKinnon Drive	\$ 735,600.00	\$ 379,100.00	\$ 1,114,700.00		
Walter Hay Drive	\$ 40,642,400.00	\$ -	\$ 40,642,400.00		
<b>Total Arterial =</b>	<b>\$ 120,670,100.00</b>	<b>\$ 47,720,200.00</b>	<b>\$ 168,390,300.00</b>	75.0%	73.4%
<b>Other Trunk Roads =</b>	<b>\$ 40,237,500.00</b>	<b>\$ 17,270,300.00</b>	<b>\$ 57,507,800.00</b>	25.0%	26.6%
					<b>25.5%</b>

Therefore if **Arterial Roads** are removed from the definition of “Trunk” (essential) infrastructure, it then means that new development would only contribute its apportioned share of **25.5%** of limited road infrastructure yet enjoying 100% benefit of the full trunk road network. It simply shifts a huge cost burden **100% of \$47,720,200 of future arterial works** onto the Council & existing community that are not specifically creating the need for these works on the arterial roads.

Similarly, the existing arterial roads previously provided by the existing developments & community to cater for future development is also not recouped fairly if not appropriately apportioned to future development i.e. adds another \$120,670,100 to be fully borne by the existing community.

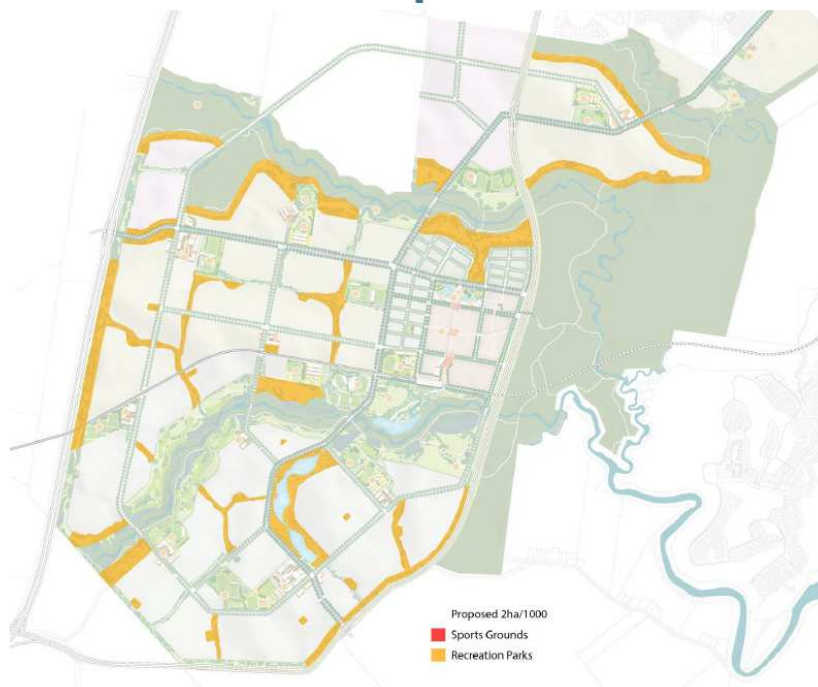
This could result in a loss of development revenue in the order of \$25 million based on the projected potential development remaining under the current planning scheme (The Noosa Plan) for this one item in one area alone.

## Comparative provision overlays – ULDA Standards



**Versus**

## Comparative provision overlays – Discussion Paper Standards



The above comparison clearly indicates that should this ULDA Greenfield Development have been approved by the State under the suggested land provision rate proposed by the discussion paper, the result would create a devastating short fall in community standards for recreation parks, sports parks and community facilities.



**EXAMPLE 7.1A Deemed Infrastructure Offset – Residential Subdivision**

1. Scenario – 100 lot subdivision.
2. Develop permit condition required main internal road (575m long) to connect to adjoining existing road. This required a higher class of road than that required to service the subject development (widened from 5.5m to 7.5m).

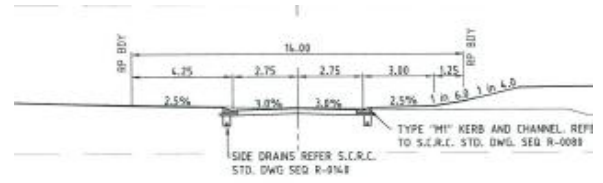
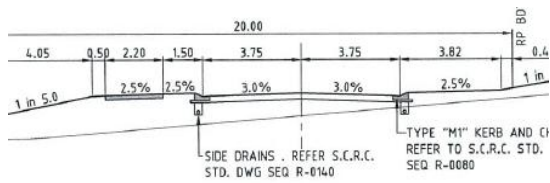


**LEGEND**

- Roads A - Development's Main Internal Access
- Road A - Widening Upgrade
- Other Internal Access Roads

Figure 1 - Example 7.1B  
Road Infrastructure Offset  
Residential Subdivision

## Typical Cross Sections



ROAD A - Widened Cross Section required to Facilitate Connection to existing Development

ROAD A - Standard CrossSection required to Service Subject Development only

3. **Offset Incremental Upgrade** - The developer negotiated with Council to offset the incremental cost of upgrading the road. Theoretical calculation of offset and resulting charge payable if subject to current Adopted Charges Regime.

a. Transport component of Adopted Charge for 100 lots	=	\$450,000
b. Additional road construction (575m long x 2m wide)	=	1,150m <sup>2</sup>
c. Offset = Additional road cost @ 150/m <sup>2</sup>	=	\$172,500
d. Net Transport Charge payable	=	<b>\$277,500</b>

4. **Offset Full Cost** (if classed as "**Deemed**" Infrastructure)

a. Transport component of Adopted Charge for 100 lots	=	\$450,000
b. " <b>Deemed</b> " road infrastructure (575m long x 7.5m wide)	=	4,312m <sup>2</sup>
c. Offset = " <b>Deemed</b> " road infrastructure cost @ 150/m <sup>2</sup>	=	\$670,00
d. Net Transport Charge payable	=	<b>-\$120,000</b>

(ie. LA would have to refund \$120k)



## EXAMPLE 7.1B – POTENTIAL DEEMED OFFSET (Non-Trunk) Road Works

### Development Approval 2007/0256 - MCU for a new Bunnings Store

The development was approved 2009 & completed in 2011 and required the development to upgrade the Gateway Drive (non-trunk) entrance & exit onto the Eumundi Noosa Rd (trunk). The development occurred over 2 existing industrial lots that were amalgamated.

There was no intention to upgrade this intersection under the future trunk road network planning (CMRNICP) and had no costs included as part of the infrastructure charge rates.

The intersection upgrade was required solely to maintain the safety of the intersection & trunk road due to the development of the new Bunnings Store occurring in this Industrial Zoned Land & therefore was conditioned in accordance with IPA clause 5.1.2 Conditions local governments may impose for non-trunk infrastructure.

Any other form of normal industrial development would have not have required any works to the intersection to be undertaken.

2008



2013



Under this discussion paper, these non-trunk works might be termed **“Deemed”** infrastructure works since other industrial developments in would end up using the modified access & exit arrangements resulting in potential offsets to be given to the Bunnings development, even though the modification works was only necessary due to the Bunnings Development itself.

Potential Offset (if classed as **“Deemed”** infrastructure)

- |  |  |
|--|--|
| a. CMRNICP Road Infrastructure Charge                          | = \$765,000  |
| b. <b>“Deemed”</b> offset intersection modification (Estimate) | = <b>\$600,000 (loss to LG due to Development)</b> |
| c. Net Transport Charge payable                                | = <u>\$165,000</u>                                 |

It should be noted that this development paid the fully planned ICP road charge and provided their non-trunk commitments (at their cost) without any detriment reported to the development’s feasibility.



**EXAMPLE 7.1C – POTENTIAL DEEMED OFFSET (Non-Trunk) Road Works**

**Development Approval 152006.1999 Lot Reconfiguration = 1 lot into 52 Residential Lots**

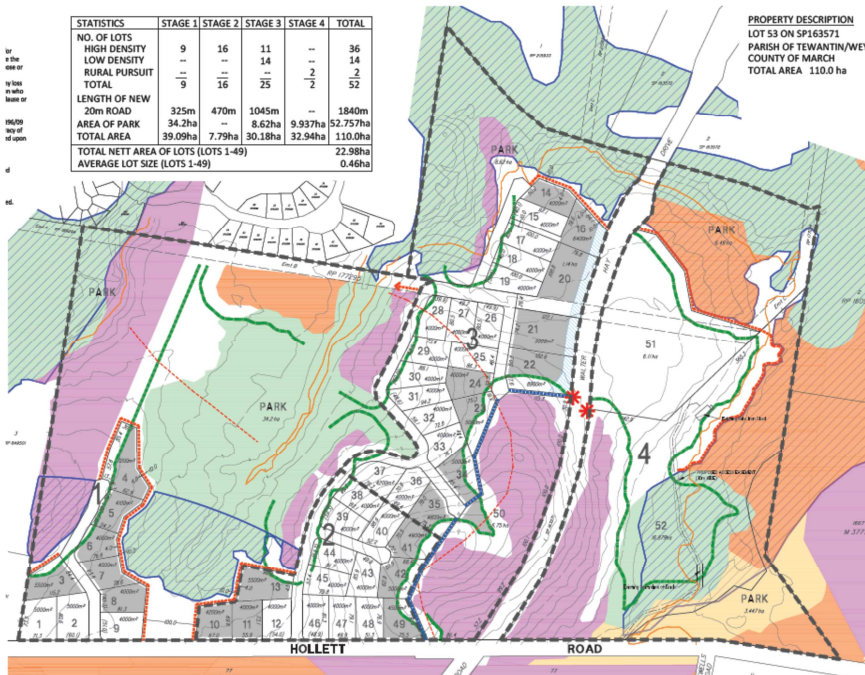
The development was approved 2013 & yet to commence.

Hollet Rd (non-trunk) is currently a gravel road and is the sole road access for this development to gain entry & exit to the Eumundi Noosa Rd (trunk). No access is provided to or from Walter Hay Drive (trunk road) other than emergency fire fighting access.

The development was conditioned under SPA clause 626 to upgrade Hollet Rd to a suitable standard specifically to service the development along its frontage to its connection to Eumundi Noosa Rd (trunk road).



Hollet Rd upgrade required specifically for new development's access.



Under this discussion paper, these works might be termed **“Deemed”** infrastructure works since a small number of other existing house lots would end up using the upgraded road resulting in potential offsets to be given to this development, even though the works are only necessary due to the creation of this Development itself.

Potential Offset (if classed as **“Deemed”** infrastructure)

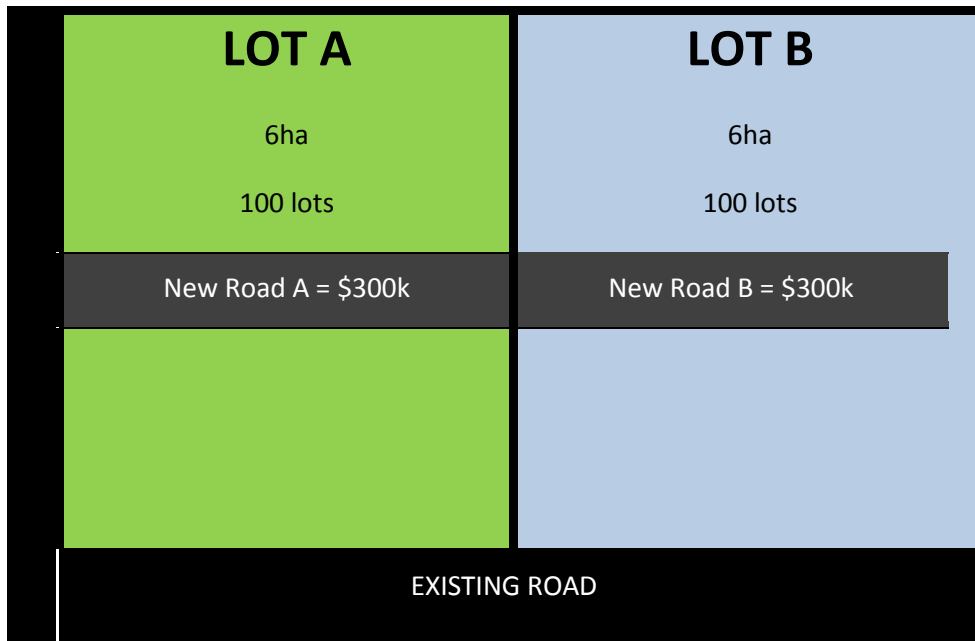
- a. Transport component of Adopted Infrastructure Charge = \$854,000
- b. **“Deemed”** road infrastructure (2,500m long x 7m wide) = 17,500m<sup>2</sup>
- c. Offset = **“Deemed”** road infrastructure cost est @ 150/m<sup>2</sup> = **\$2,625,000 (loss to LG due to Development)**
- d. Net Transport Charge payable = **-\$1,771,000 (LG would have to pay Development)**

It should be noted that this development lies completely and well outside the Priority Infrastructure Area and is inconsistent with the planning assumptions.



### EXAMPLE 7.1D Deemed Comparison

Reconfiguration of two identical lots



#### Lot A Infrastructure Charges

Road Charge @ \$4k/lot = \$400k

New Road A **is deemed** and cost is offset

Net Road Charge = **\$100k**

#### Lot B Infrastructure Charges

Road Charge @ \$4k/lot = \$400k

New Road B **is not deemed** and cost cannot be offset

Net Road Charge = **\$400k**

#### Comparative Analysis between LOTA and LOTB Roads Contribution

1. If the New Road A is “deemed” infrastructure and given an offset the Developer of LOT A will effectively incur zero costs for a road that has the primary function of servicing that development.
2. The Developer for LOT B pays \$300K (ie. \$3,000/lot) more than the Developer of LOT A. This is neither fair nor equitable.

## Open Space Comments on Discussion Paper: Infrastructure planning and charging framework review

### General comments

The Sunshine Coast Council has adopted a Desired Standard of Service of 5.4 ha/1000 for its Open Space and Social Infrastructure Strategy 2011. The standards were informed by a comprehensive assessment of existing provisions and community consultation between 2009 and 2010. The Desired Standards of Service adopted are comparable to other South East Queensland Councils and ULDA Guideline 12.

	Sunshine Coast Open Space Strategy 2011 & Sunshine Coast Social Infrastructure Strategy 2011	Moreton Regional Council (2012)	Logan City Council (2012)	ULDA Guideline 12	Discussion Paper Infrastructure planning and charging framework review
Recreation parks	3ha/1000 Local 1ha/1000 District 1.3ha/1000 Sunshine Coast wide 0.7ha/1000	2.0ha/1000	3ha/1000	2.8ha/1000	-
Sports grounds	2.2ha/1000	2.0ha/1000	1.8ha/1000	1.8ha/1000	-
Community facilities	0.2ha/1000	NA	NA	0.2ha/1000	-
<b>Total</b>	<b>5.4ha/1000</b>	<b>4ha/1000</b>	<b>4.8ha/1000</b>	<b>4.8ha/1000</b>	<b>2ha/1000</b>

The current Desired Standards of Service are considered appropriate to provide the Sunshine Coast community with reasonable access to a range of open space for formal and informal recreational activities and reflect the importance of lifestyle, environment and sustainability to the region. The physical and mental health benefits derived from access to quality open space are becoming better understood as a result of recent research (Appendix 1). With health costs forecast to consume the majority of the State's health budget by 2030 a proactive approach to improving the health of Queenslanders is a significant issue for the current and successive State Governments. The strong connection between access to quality open space and people's health is a clear reason to provide an appropriate level of quality open space to help manage the State's Health budget into the future.

The Draft Sunshine Coast Economic Development Strategy 2013 has as one of its foundations for building a new economy;

- The **essential infrastructure** needed to support its growth and competitiveness and sustain its community.

Access to quality open space is an important factor in a city or regions attractiveness as a place to visit, live and do business. Our parks and sports grounds are vital in supporting our Sunshine Coast lifestyle including sports tourism, outdoor recreation and community based outdoor businesses such as fitness training, dog training, mobile cafes etc.

We have significant concerns that limiting developer contributions to the provision of 2ha/1000 people proposed in the Discussion Paper, or less than half the current provision rate, will result in a significant reduction of access to quality open space, especially the larger recreation parks and sports grounds. Council knows from consultation that our residents gain greater value from these open space areas than local recreation parks and support a significant component of the social and recreational activity. Larger parks well located are vital for community gathering, active sports and longer recreational stays, especially where located close to town centres. An insufficient supply of larger parks and sports grounds and a reliance on smaller local parks diminishes recreation opportunities for the community, results in increased maintenance demands on a limited resource base and puts the pressure directly onto the community to acquire land and develop larger parks to accommodate the demand generated by new residents.

Evidence from the Sydney region has found that localities with provision rates of up to 3.03ha/1000 people are not coping with the existing demands on their open space networks. No empirical data is available of what a reasonable minimum provision rate has been identified, however it would be reasonably considered to be much greater than 3.03 ha/1000.

The consequences of the State Governments possible reduction in developer contributions to meet the demand of new residents is of significant concern to our existing community as it will result in over use of existing facilities, reduced service levels and increase in rates.

### Specific Comments on the Discussion paper

#### Purpose

Issue	Comment	Recommendation
The Discussion Papers purpose is to establish long term infrastructure planning and charges framework that is equitable, certain and supports local authority financial sustainability and development investment throughout Queensland.	The current purpose ignores the impact on social capital, health and wellbeing and their significant economic benefits and positive impacts on the State's Health budgets.	The purpose needs to include impacts of reducing the capacity to fund existing levels of service of social infrastructure such as parks and sports grounds and reference the impacts on the community's wellbeing and health eg greater health cost to community (GF).

## Context

Issue	Comment	Recommendation
Context too narrow. Does not consider impact on the broader community (existing and future).	How can a community be considered sustainable if it does not meet the needs of its citizens? The under provision and reduced provision over time, of recreation parks and sports grounds will have significant impacts on the health and wellbeing of the community.	Context needs to be broadened to gain an understanding of the impacts of changes on the community and levels of service received.
Paragraph 2. Explain further the reasons for "sudden and noticeable increases in the level of contributions being made by applicants to the provision of public infrastructure" as this seems to be the catalyst for the review.	It seems unreasonable to base such profound and socially detrimental actions on such a vague, poorly quantified issue.	Better explain the increases referenced.
<p>Stakeholders have indicated that some local authorities charge for infrastructure which is not essential and in some cases charges are excessive.</p> <p>Review process identified the inequity of requiring developers to pay for infrastructure which did not directly benefit the development, but a broader community development.</p>	Question the statement that "developers are paying for infrastructure that did not directly benefit that development" as residents of these developments will use the district sports grounds and district parks outside of that development and expect infrastructure to accommodate the increased demand.	<p>The Paper needs to be broadened around the role and importance of larger recreation parks and sports grounds which are not provided by the development but are still expected and used by residents of a new development. Without contributing to increasing capacity of these larger facilities developers are effectively expecting the community to either;</p> <ol style="list-style-type: none"> <li>1. Subsidise the social expectations of the development, or</li> <li>2. Reduce the level of service received by the community as a consequence of the development.</li> </ol>

## Responses to key questions

### 5.1 Infrastructure scope

#### General

Issue	Comment	Recommendation
Do you support the removal of items from infrastructure scope that do not have a clear nexus with a development site?	Have significant concerns that the definition of a “a clear nexus with the development site”, as framed by the discussion paper, is any site away from the immediate development, effectively discounting the district and regional open space network which will be used, often significantly, by new residents. The statement is not supported in that context because it ignores the role of district/regional parks and sports grounds in the community. It is also impractical to locate sports grounds at a local level as they function at a district level which does not support the nexus argument.	Infrastructure scope broadened to include regional and district recreation parks and sports grounds.
What infrastructure items would you include/remove from the example essential infrastructure list (Appendix 4)?	We agree that over embellishment should be restricted; however standard embellishments that enable a park or sports ground to be functional and fit for purpose should be retained. Would like the opportunity to undertake further discussion to establish an open space infrastructure list that was reasonable, innovative and provide improved	Revise infrastructure guidelines to reduce infrastructure costs. Embellishments should be fit for purpose and aligned to function. Ensure that local parks are not overembellished against Council DSS for sales purposes.

Issue	Comment	Recommendation
	outcomes for both social and financial sustainability. The Sunshine Coast Open Space Strategy has taken this approach with asset development and provision.	

#### Local authority focus

Issue	Comment	Recommendation
What impacts do you believe the tightening of infrastructure scope will have on your local authority's operations and activities?	The tightened infrastructure scope means that the full cost of land and infrastructure for sports grounds and larger recreation parks outside of the development area will be borne by existing residents despite the development placing increased pressure on these facilities as a consequence of population growth.	Seek to have open space land and community land provision raised to 4.8ha/1000 (consistent with ULDA Guidelines). Develop standard embellishments that are fit for purpose.
What will likely be the approach to the delivery of infrastructure no longer covered by the essential infrastructure list?	An approach will need to be considered including, potential rate rises, corporate sponsorship, grants and seeking assistance from the State Government to purchase larger land parcels to offset the additional demand generated by development. However a consequence would be lack of certainty in planning, additional costs to ratepayers and a reduction in the level of service received by the community.	Seek additional assistance from the State for land acquisition for larger open space areas.

## 5.2 Identification of trunk and non-trunk infrastructure

### General

Issue	Comment	Recommendation
<p>Do you support the development of a 'test-based' approach to support the identification of trunk and non-trunk infrastructure?</p>	<p>Test 2 and Test 3 as currently proposed present risks to Council achieving its Desired Network outcomes eg land that meets the dimensions (area requirements) for a district recreation park may be inappropriately shaped or too removed from the location identified in a network plan to achieve the benefits to the community identified in the network plan resulting in a poorer community outcome.</p>	<p>No offsets for areas of parkland that exceed the minimum standards but are not at a location identified in infrastructure network planning, however capacity for negotiation where it is at a location identified for future parkland in network planning.</p> <p>Open Space framework should be based on all the key Desired Standards of Service outcomes adopted by each Council.</p>
<p>What do you consider the implications of identifying trunk infrastructure using this approach will be?</p>	<p>Concern that any land area that is above a minimum size may be offsetable against trunk infrastructure even though it does not meet other desired standards of service targets, or is in a location that is totally inappropriate to achieving the necessary linkages and colocations that maximised community benefit.</p>	<p>Open Space framework should be based on all the key Desired Standards of Service outcomes adopted by each Council.</p>
<p>Would you support the introduction of a standardised minimum specification for trunk infrastructure (e.g. minimum pipe diameter for trunk water reticulation)?</p>	<p>A standardised minimum specification would be difficult to standardise council's infrastructure as each is diverse, with different needs. There is a risk that in the case of open space a minimum standards approach may still result in</p>	<p>Open Space framework should be based on all the key Desired Standards of Service outcomes adopted by each Council. Desired Standards of Service, while individual for each Council could be linked to a standard template of common</p>

Issue	Comment	Recommendation
	<p>parks given offsets that may meet an area standard, but be inappropriately located. However a framework that would ensure a consistency in methodology would be supported.</p>	<p>outcomes or values.</p>

## 6.2 Planned charges

### General

Issue	Comment	Recommendation
<p>What is your view on the use of two separate impact assessments to determine the appropriateness of a planned charge?</p>	<p>Two separate assessments may risk loss of key outcomes to the community. Impact assessments need to consider not only the financial sustainability of the project but the impact on <i>social</i> sustainability ie achieving financial sustainability may be by reducing income and expenditure that results in less cost to developers and less maintenance to Councils operational areas, however this may be at the expense of a reduced standard of service received by the community in terms of land provision. For example increased demand for use on playing fields without additional land or infrastructure results in increased wear and tear and less capacity to accommodate additional</p>	<p>Open space impact assessments need to be clearly linked to social and health outcomes. Include key outcomes identified in Desired Standards of Service.</p> <p>District and Regional Recreation Parks and Sports Grounds are included as chargeable infrastructure.</p>



Issue	Comment	Recommendation
	<p>teams or competition levels. Charges need to extend to larger recreation parks and sports grounds as these are the communities most valued open spaces, are the most efficient in terms of maintenance and provide considerable social and health benefits to a community.</p>	
<p>What viable and practical alternative methodologies do you consider appropriate to test the appropriateness of a planned charge?</p>	<p>Develop models to determine and measure the impact of the reduced capital expenditure (land and infrastructure) on the level of service received by the community. The level of service = access to the same social, recreational, health and wellbeing opportunities as the current community. This level of service is subsequently tracked against cost of service. There has been preliminary modelling done in this area.</p>	<p>The following could be considered;</p> <ul style="list-style-type: none"> <li>• Cost Benefit Analysis</li> <li>• Cost of Service/Level of Service</li> <li>• Quadruple Bottom Line Approach</li> </ul>
<p>Does your organisation consider an appeals process appropriate? If so, why, for what issues and what would the process look like?</p>	<p>An appeals framework only has value if it is developed around measurable values that include the social impacts of financial decisions on the current level of service, as well as the projected level of service received at the end of the network planning time frame.</p>	

## 7.2 Offsets and refunds

### Local authority focus

Issue	Comment	Recommendation
<p>What do you believe would be the scale of financial impact on local authorities associated with a mandated offsets and refunds policy?</p>	<p>Has significant financial implications in that non trunk infrastructure could be offset against credits, potentially resulting in Council owing the developer money if the infrastructure is overly embellished and Council having to pay for a larger part of land purchases to achieve network goals through strategic land purchases.</p>	<p>Only offsets given to open space that achieves trunk infrastructure as identified in each Councils Network Plan. Seek to have open space land and community land provision raised to 4.8ha/1000 (consistent with ULDA Guidelines).</p>
<p>What other impacts do you believe the reforms to offset and refunds calculation would have on local authorities' operations and activities?</p>	<p>Preferably, broaden the question to consider impacts on social outcomes as this cannot be identified through operations and activities. Would result in less capacity for strategic purchase of larger land parcels for district and regional open space and an increased amount of local recreation parks which are a high cost to Council (due to their number and decentralised layout) while providing less opportunity for social and recreational activities (eg off leash areas, event spaces, larger sport facilities and sports grounds).</p>	<p>Only offsets given to open space that achieves trunk infrastructure as identified in each council's Network Plan.</p>

## Land valuation methodology

Issue	Comment	Recommendation
<p>Do you support the introduction of a standardised land valuation methodology?</p> <p>If yes, what parameters do you consider should be applied?</p>	<p>Would want to see what the proposed methodology was before supporting a standardised model. Too simplistic a model based on financial considerations alone presents a risk of low value land being given appropriate credits, restricting council's funding capacity to acquire targeted land to meet open space needs.</p>	<p>A range of methodologies that provide a fair outcome based on Local Government issues (eg predominantly urban council, high growth has one model, rural council another model).</p>

## 7.4 Appeals and dispute resolution

### General

Issue	Comment	Recommendation
<p>Do you support the introduction of a Planning and Environment Court led mediation process prior to the lodgement of an appeal with the Court?</p>	<p>Would depend on the terms of reference under which mediation was undertaken. If mediation allowed a widening of what was currently negotiable there is a risk that it may act as a catalyst for further erosion of conditions.</p>	<p>Don't support without further identification of issues and scope.</p>

## 8.1 Alternative funding and financing

### General

Issue	Comment	Recommendation
Do you support the proposed position outlined above in relation to alternative funding and financing mechanisms?	Agree that it is not appropriate as a viable funding model for broad scale alternatives for infrastructure charges. Question the value of the options considered for discussion as it is the sustainable funding of the broader open space projects (larger recreation parks and sports grounds) that needs to be addressed by the Discussion Paper, especially if developers are predominantly funding local open space and not funding larger parks and sports grounds as appears to be the general intent of this Discussion Paper.	

## **Appendix 1**

**Children performing activities in green settings have shown reduced symptoms of Attention Deficit Hyperactivity Disorder. Furthermore, the “greener” a child’s play area, the less severe his or her attention deficit symptoms.**

*Faber Tyler A, Kuo FE, Sullivan WC. 2001. Coping with ADD: The surprising connection to green play settings. Environment and Behavior. 33(1): 54-77.*

**Without outdoor places to play, children are less likely to exercise regularly and may face elevated risks for diabetes, obesity, and asthma.**

*Trust for Public Land. No Place to Play: a comparative analysis of park access in seven major cities. November 2004.*

**Living in proximity to green space is associated with reduced self-reported health symptoms, better self-rated health, and higher scores on general health questionnaires.**

*Vries S, de Verheij RA, Groenewegen PP, Spreeuwenberg P. Natural environments - healthy environments? An exploratory analysis of the relationship between green space and health. Environment and Planning. 2003;35(10):1717-1731.*

## GENERAL COMMENTS ON DISCUSSION PAPER: INFRASTRUCTURE PLANNING AND CHARGING FRAMEWORK REVIEW

Section		SUNSHINE COAST COUNCIL COMMENT	
<b>Section 1 - Purpose</b>			
1.1		About the discussion paper	No comment.
1.2		Scope	No comment.
1.3		Stakeholder working group	No comment.
1.4		Timeframes	State Government timeframes are reasonable for the State's role but timeframes for Local Government are tight with insufficient time to do detailed assessment and run financial calculations.
1.5		Consultation	No comment.
1.6		How to make a submission	No comment.
1.7		Further information	No comment.
<b>Section 2 - Context</b>			
2.1		Introduction	No comment.
2.2	2.2.1	Infrastructure charges in Queensland	No comment.
	2.2.2	Maximum charges framework	No comment.

Section			SUNSHINE COAST COUNCIL COMMENT
	<b>2.2.3</b>	Distributor retailers	No comment.
<b>2.3</b>		Interstate Snapshot	No comment.
<b>Section 3 - Outcomes</b>			
			Previous reports, e.g. the Productivity Commission Reports, have shown that infrastructure contributions/charges are not a significant contributor to development feasibility.
			The framework elements should include transition arrangements. Overall - terms used should be consistent e.g. infrastructure contributions/charges and discounts/credits and capped charges/maximum adopted charge.
<b>Section 5 - Framework Fundamentals</b>			
<b>5.</b>			Council strongly supports the infrastructure charges provisions proposed under Infrastructure Charges Plans and PIPs based on an appropriate trunk infrastructure networks, costed and apportioned fairly across all users of the networks.
<b>5.1</b>		Infrastructure scope	It is important to note that there is no connection between the current adopted charge and the provision of the trunk infrastructure networks required to service existing and future development.
	<b>5.1.1</b>	Stakeholder issues	Disagree with this comment which is a one sided view. Trunk infrastructure by its definition must have some benefit to all those being charged for access to the particular network.
	<b>5.1.2</b>	Reform objective	No comment required
	<b>5.1.3</b>	Reform options	Do not agree with the “essential infrastructure” concept; see comments above regarding appropriate “trunk” infrastructure networks to service development.
	<b>5.1.4</b>	Implications of reform options	Do not agree with the concept of removing higher order infrastructure that does not have a “direct nexus” to a development. All higher order trunk infrastructure provides a benefit to all development. The apportioned cost of this infrastructure is reduced as it is spread over a larger catchment base. The removal of the ability to charge for this higher order infrastructure shifts the costs to the existing community while development benefits from its provision without contributing to it.
		Quantitative analysis of essential trunk infrastructure list	No information has been provided to support any of the claims made in tables 4, 5 and 6.

Section		SUNSHINE COAST COUNCIL COMMENT	
5.2	Identification of trunk and non-trunk infrastructure		Definitions of trunk and non-trunk agreed. General Comment: infrastructure must be either 'trunk' or 'non-trunk', there is no other type.
5.2.1	Stakeholder issues		Unbalanced comment. Priority Infrastructure Plans undergo strict State review and public consultation processes, however, when the Maximum Adopted Infrastructure Charges Regime was brought in, it had no regard for impacts imposed on Local Governments that caused reduced ability to finance trunk infrastructure to support development growth.
5.2.2	Reform objective		Agree
5.2.3	Reform options		Do not agree with the “deemed infrastructure” concept. Provided a well-planned and comprehensive trunk network is identified there would be no need for deemed infrastructure. If a development specific issue was identified this should be handled via an Infrastructure Agreement outside the trunk infrastructure charging regime and is already handled via the reasonable and relevant test under the legislation.
5.2.4	Implications of reform options		Refer to 5.2.3 above. Do not agree with the comment that the “expectation to identify all trunk infrastructure in a PIP to be unreasonable”. What is unreasonable is for unplanned development to occur within the life of the PIP. Simple mechanisms need to be introduced to allow simple and quick updates to be made to PIPs and planned charges within the current 5 year PIP review period.
	Test 1		Agreed
	Test 2		Do not agree that deemed infrastructure should be able to be offset against infrastructure charges where its primary function is to service a particular development. Alternative solutions of trunk infrastructure are already catered for in the legislation and current PIP guidelines to be applied when and if applicable.
	Test 3		This is highly open to interpretation and is problematic in determining whether a piece of infrastructure has a trunk function. Sharing of non-trunk infrastructure between immediate/adjacent developments is more of a specific local development issue.
5.3	Infrastructure planning		Dot point1 - This informs the assessment but is not the primary basis for conditioning the infrastructure required for development.



Section		SUNSHINE COAST COUNCIL COMMENT
5.3.1	Stakeholder issues	AIC has not reduced the level of detail in the PIP as it only removed the infrastructure charges schedules component. The lengthy time in preparing PIPs is largely a result of the unclear and ever changing process that was imposed by the State for preparation of PIPs and could be easily addressed by an improved simplified process.
5.3.2	Reform objective	Support this objective.
5.3.3	Reform options	Table 8 section 2, paragraph 3 - add the words "inclusive in the infrastructure plan preparation". Paragraph 6 - why penalise a Local Government on its size when a capped charge has no correlation to any planned infrastructure in the first place.
5.3.4	Implications of reform options	<p>Standardisation of infrastructure planning methodology.</p> <p><b>Average cost methodology versus Incremental cost methodology</b> The average cost methodology is considered the most appropriate methodology as it apportions the cost of existing and future infrastructure across existing and future users. Under the incremental cost method it is too complex and difficult to substantiate the excess capacity of existing infrastructure that can be recovered from future development. It also avoids large differences in charge rates for developments in different locations whilst maintaining the same overall revenue stream.</p> <p><b>Standard schedule of works model</b> Discounted cash flow (DCF) methodology</p> <p>Implementation of DCF methodology is reliant on each of the following forecasts:</p> <ul style="list-style-type: none"> <li>• Forecasting future construction costs</li> <li>• Forecasting year of construction</li> <li>• Forecasting demand growth</li> <li>• Predicting discount rates to be applied</li> </ul> <p>DCF methodology is only as good as its input assumptions and works best when there is a high degree of confidence in each assumption.</p> <p>Trying to forecast even a few years into the future on each of these factors is hard enough let alone over a 20 year period due to a number of variables that can affect all assumptions made, including cost of resources, technological changes , land values, growth predictions and overall the local and greater economy.</p> <p>Based on these variable assumptions, the implementation of DCF methodology would not increase the accuracy of charge calculations but would only unnecessary mathematically complicate the calculations of charges.</p> <p>Council proposes that a simplified approach be adopted where the current cost of existing and future infrastructure costs is used in the calculation of charges. Annual indexation is then applied by an appropriate index to reflect the change in the time</p>

Section			SUNSHINE COAST COUNCIL COMMENT
			<p>value of money for each subsequent year. This has been a simple process accepted for many years by both development and government.</p> <p><b>Standard schedule of works model</b></p> <p>Council acknowledges that the integrity of financial calculation of the model needs to be preserved, however the models do not allow the alteration of the worksheet formats to reflect the idiosyncrasies of each network.</p> <p>To some extent this can be addressed with “pre model” spread sheets that can transform the required the data into the required format for the standard model.</p> <p>The standard schedule of works model should allow some flexibility in presentation of financial data.</p>
<b>Section 6 - Framework Mechanism Options</b>			
<b>6.1</b>			<b>Capped charges</b>
	<b>6.1.1</b>	Stakeholder issues	<p>Comment on dot point 3 - this statement is not reflective what the actual effect of the AIC. Use of correct traffic generation rates and modelling indicates the opposite.</p> <p>add dot point four</p> <ul style="list-style-type: none"> <li>• capped charges do not recognise that cost variations exist in delivering trunk infrastructure across a broad range of Local Governments.</li> </ul> <p>add dot point 5</p> <ul style="list-style-type: none"> <li>• need to allow indexation from a base date until time of payment.</li> </ul> <p>add dot point 6</p> <ul style="list-style-type: none"> <li>• range of administrative issues regarding transitioning from existing approvals and applying credits to a capped charges regime.</li> </ul>
	<b>6.1.2</b>	Reform objective	The only way that this can be assessed correctly is via Planned Charges (not under Capped Charges)
	<b>6.1.3</b>	Discussion	<p>The discussion provided is ill-conceived as the only way a meaningful charge can be evaluated is through assessing via a planned charge methodology.</p> <p>The intention regarding charge differentiation &amp; refinement has merit but again is only achievable properly through a planned charge and demand basis.</p>

Section			SUNSHINE COAST COUNCIL COMMENT
<b>6.2</b>			<b>Planned charges</b>
	<b>6.2.1</b>	Stakeholder issues	No comment.
	<b>6.2.2</b>	Reform objective	Council strongly supports this option of being able to implement planned charges. However, the process should be simplified and transparent for all parties and be based on realistic trunk infrastructure requirements for the region.
	<b>6.2.3</b>	Discussion	The ability to be able to apply a reasonable planned charge is the best outcome for local government financial sustainability. Many reports and studies have been undertaken where it has been demonstrated that development contributions/charges have a very limited impact on development feasibility. The assessment process is convoluted and seems to envisage the assessment of individual development projects. This approach is neither sensible nor practicable.
<b>Section 7 - Framework Element Options</b>			
<b>7.1</b>			<b>Conditions</b>
	<b>7.1.1</b>	Stakeholder issues	<ol style="list-style-type: none"> <li>1. Note but do not agree with development industry claims regarding cost shifting as legislation limits a Local Government's conditioning power.</li> <li>2. Problems identified with the Adopted Charges Regime are largely a result of abandoning fundamental principles that are necessary for the fair and equitable apportioning of the infrastructure charge, e.g; <ol style="list-style-type: none"> <li>a. Link cost of trunk infrastructure to the charge rates.</li> <li>b. Infrastructure charge is based on each development's share of the infrastructure cost.</li> <li>c. Offsets for constructed/contributed infrastructure are applied for infrastructure that is included in the charge.</li> </ol> </li> </ol> <p>To continue down this path will not help overcome these issues but only make matters worse. The concerns and issues raised can be best managed by returning to the fundamental principles of fair cost apportionment.</p>
	<b>7.1.2</b>	Reform objective	Agree
	<b>7.1.3</b>	Reform options Table 12	<ol style="list-style-type: none"> <li>1. Status Quo – OK</li> <li>2. Oppose the concept of applying offsets for “deemed trunk” infrastructure. Offsets should only apply to infrastructure that is planned and is included in the infrastructure charge (see response to “Have Your Say”).</li> </ol>

Section		SUNSHINE COAST COUNCIL COMMENT
	<b>7.1.4</b> Implications of reform objectives	Currently, the trunk infrastructure that may be conditioned to be built, and therefore available for offsets, will be identified in the Adopted Charges Resolution or the PIP, therefore there should be no uncertainty.
<b>7.2</b>		<b>Offsets and refunds</b>
		Generally agree with comments. However, the intent of the last sentence in paragraph 2 that refers to “infrastructure which is not identified within a planning scheme” is unclear. This may just be poorly worded and actually intended to be “planned trunk infrastructure”.
	<b>7.2.1</b> Stakeholder issues	Comments are reasonable. Generally PIPs and ICSs provided a clearer framework for offsets and refunds. Usually similar principles were applied for PSPs. Disconnecting of the charge and infrastructure cost has adversely impacted on this and does not encourage fair and reasonable estimation of costs and offsets/refunds methodology. SCRC provided for offsets and refunds within the Adopted Charges Resolution initially based on planned infrastructure estimates but more recently changing to tendered costs.
	<b>7.2.2</b> Reform objective Table 13	<p>1. Status Quo – Agree</p> <p>2. Actual Value of Offsets – It is fair and reasonable that the infrastructure offset the true cost of providing the infrastructure. However, to support this it is important that:</p> <ul style="list-style-type: none"> <li>a. Charges are linked to the cost of the infrastructure</li> <li>b. The basis of the planned cost estimates are realistic</li> <li>c. A flexible and simple system of updating charges exists to accommodate circumstance where actual costs vary significantly from planned estimates.</li> </ul> <p>3. Clearer rules about offsets and refunds – agree that this is a worthwhile improvement with specific comments as follows:</p> <ul style="list-style-type: none"> <li>a. Should be limited to planned trunk infrastructure but do not agree with concept of “deemed” trunk.</li> <li>b. Can be based on actual or planned value depending on process followed.</li> <li>c. Support standardisation of land valuations.</li> <li>d. Support flexibility in alternatives for refund such as banked credits, cross crediting for the same development subject to negotiations under an infrastructure agreement. Transfer from one development to another is not supported.</li> <li>e. Details of offsets and refunds should be recorded in a register and available for review but do not have to be published.</li> </ul>
	<b>7.2.3</b> Implications of reform objectives	The argument for using “actual value” is understood and accepted however to be consistent it is appropriate that the charge also be based on the cost of the infrastructure. This Council strongly opposes the concept of providing offsets for “deemed” infrastructure. Refer to comments under 7.1 above. Transferring credits within a development as an alternative to a refund is ok but should not be made mandatory to allow transfer between developments.

Section		SUNSHINE COAST COUNCIL COMMENT	
<b>7.3</b>			<b>Credits</b>
	<b>7.3.1</b>	Stakeholder issues	It is agreed that there would be great benefit with the State providing clear, consistent and easy to administer guidelines for applying credits. Credits should be applied as demand units consistent with the charge calculation and applied on a networks basis. A major dilemma with the adopted charges regime which applies a combined charge for all networks but credits for previously paid contributions varied between networks.
	<b>7.3.2</b>	Reform objective	Generally agree with objectives although it is not clear how this supports development feasibility planning.
		<i>Table 14</i>	1. Status Quo – OK 2. Consistent crediting methodology – Generally agree with methodology proposed however what is covered here appears to be oversimplified and fails to address some of the more complex issues. This Council’s current practices are consistent with what is proposed.
<b>7.4</b>			<b>Appeals and dispute resolution</b>
			The reason that SPA does not allow appeals to be made against the methodology used to calculate a charge is because the methodology has already undergone significant State scrutiny to ensure that the set methodology and inclusions have been followed.
	<b>7.4.1</b>	Stakeholder issues	All effort should be to not to have appeals about charges occur so the basis for an appeal should only relate to an incorrect calculation. The reason that the Building & Development Dispute Resolution Committee has not been actively hearing cases is probably because the Legislation requires that SPA 478: <i>(2) The person may appeal to the court against the notice.</i> <i>(3) An appeal against a notice mentioned in subsection (1) must be started within 20 business days after the day the notice is given to the person.</i> Hence the Legislation is the driving problem as Section 478 & 535 relate to the identical issue but then applies to different authority to decide. Therefore the safer option to protect rights is an appeal to the court and not a committee.
	<b>7.4.2</b>	Reform objective	The objective is agreed however to achieve this, then the rules must be clear.
	<b>7.4.3</b>	Reform options	Option 1 - Status Quo is ok however " <i>whether a charges notice is so unreasonable that no reasonable local gov't could have imposed it</i> " should be removed as it is impossible for this to occur under the PIP/ICS & current AIC framework.
			Option 2 - mediation prior to lodgement of appeal should be supported

Section			SUNSHINE COAST COUNCIL COMMENT
			Option 3 - Widening of Appeal Rights as suggested should not be supported as this will simply create more appeals & therefore is contrary to the objective being sought. If the rules for all the matters are made legislatively clear, then there will be no issues. The current PIP identified trunk & non-trunk details are sound but could be strengthened to cover those issues that are not clear & decided by individual LGs & DRs i.e. credits, offsets & refunds.
	<b>7.4.4</b>	Implications of reform objective	Agreed
<b>7.5</b>			<b>Infrastructure agreements</b>
	<b>7.5.1</b>	Stakeholder issues	Preference is for not having to enter into an infrastructure agreement however an Infrastructure Agreement is often the only way to firm up details to avoid a dispute later during the development in particular in relation to offsets against trunk infrastructure provision. Also transitional issues involving existing approvals under alternative PSP or other regimes, permissible changes, & extensions to relevant periods have not been adequately addressed by the legislation and therefore creates uncertainty and hence the need for Infrastructure Agreements.
	<b>7.5.2</b>	Reform objective	The reform objective is supported
	<b>7.5.3</b>	Implications of reform objectives	No comment
<b>7.6</b>			<b>Deferred payments</b>
			The comment that ROL is the most common approval for infrastructure charges to be levied is not correct. ROL's usually only relate to single detached house type lot developments whereas MCU & BA's predominantly issue charges for multiple unit and non-residential developments and expansions of existing developments.
	<b>7.6.1</b>	Stakeholder issues	Agree, however, should not be such a difficult issue provided the correct amendments are made to the legislation and cost shifting does not transfer to Local Government and Community i.e. requires some interest and additional administration costs to be included for later payments after the standard due date.
	<b>7.6.2</b>	Reform objective	Reform objective is limited in its outlook by only considering ROL. SCRC already approves delayed staged payments for MCU and BA triggered charges = 25% payment by due date followed by 4 x six monthly payments (made in stipulated months of June & December) with outstanding balances attracting 7% compound interest to cover Council's borrowing & additional administration.

Section			SUNSHINE COAST COUNCIL COMMENT
	<b>7.6.3</b>	Reform options	Opt 1 - Status quo - OK and is simplest.
			Opt 2 - Defer payments - OK to <u>move payment to settlement</u> but should be optional <u>only</u> if payment at settlement includes additional payment of costs to council i.e. interest & admin for delayed payments. A <u>notice on title</u> is required but this could be undertaken simply via a property note in the Local Government system that comes across on all rates searches for sale/purchase of a property. SCRC already does this for all infrastructure charges. Legislation should include all property purchases to specifically include rates & infrastructure charges searches. Sunset Clause 2 years - OK Local Government authority to have flexibility to adopt or not offer delayed payment.
			Opt 3 – Why mandate <u>earliest</u> payment at Plan Sealing since it this is solely up to a developer if they want to pay earlier. The rest is identical to Q 1 Status Quo.
	<b>7.6.4</b>	Implications of reform options	Last Paragraph. This is because the Legislation SPA 634 (a) states: <i>"An infrastructure charge is payable—(for ROL's) <u>before</u> the local government approves the plan of subdivision for the reconfiguration."</i> i.e. this is at time of plan seal. If a development is intended to occur in stages then the decision notice should provide the approval in accordance with those stages and separate charge notices issued for each applicable stage.
<b>Section 8 – Other Framework Issues</b>			
<b>8.1</b>			<b>Alternative funding and financing</b>
	<b>8.1.1</b>	Current infrastructure financing methods	Disagree with statement <i>"onus often falling to developers to often wholly finance trunk and non-trunk infrastructure required by the community"</i> . Support the proposal to make developer contributions equitable and consistent across local authorities. Disagree that <i>"existing property holders receiving a windfall gain at no cost"</i> existing property prices reflect the level of infrastructure already provided to service that land. Costs for future trunk infrastructure should be shared across existing and future users.
	<b>8.1.2</b>	Alternative financing and financing methods	No comment.
	<b>8.1.3</b>	Application in Queensland	Agree - alternative funding arrangements proposed have limited applicability and are not a broad scale alternative to fair and reasonable infrastructure charges.

Section		SUNSHINE COAST COUNCIL COMMENT	
8.2			<b>Resolutions and distributor-retailer board decisions</b>
8.2.1	Stakeholder issues		This statement contains "allegations" with no detail. Such allegations should be firstly made in detail to the applicable Local Government and then to the State for review if applicable. The State has copies of all Local Government Resolutions.
8.3			<b>Transitional arrangements</b>
			Transitional arrangements need to be simple to apply, as opposed to the current situation since the commencement of adopted charges. If there is a net benefit to the stakeholder (read developer) then they should be able to transition to the new charging regime without the bureaucratic process currently required to protect both sides..
<b>Section 9 – Next Steps</b>			
9.1			<b>Issues requiring further investigation</b>
			No actual details have been provided for scrutiny to be able to assess the purported impact of reduced infrastructure scope in all the tables contained in this paper.
			No assessment or evaluation of " <i>Hidden Externalities</i> " has even been attempted or assessed by any of the proposals other than just by a minimal, limited and immediate cost relief to a developer " <i>Free rider problem</i> ".  No consideration has been undertaken in relation to the " <i>Public good</i> " or " <i>Social costs</i> " that could result in a " <i>Tragedy of the commons</i> " or even lead to eventually future " <i>Market failure</i> ".  Any decision on capped charges and reform relating to provision of infrastructure requires full consultation with the Local Governments who are the primary facilitator and provider that enables development to occur.  <a href="#">Refer to definitions below:</a>
			<a href="http://en.wikipedia.org/wiki/Externality">http://en.wikipedia.org/wiki/Externality</a> - <i>In economics, an <b>externality</b> is a cost or benefit which results from an activity or transaction and which affects an otherwise uninvolved party who did not choose to incur that cost or benefit. For example, manufacturing activities which cause air pollution impose health and clean-up costs on the whole society, while the neighbours of an individual who chooses to fire-proof his home may benefit from a reduced risk of a fire spreading to their own houses. If external costs exist, such as pollution, the producer may choose to produce more of the product than would be produced if he were required to pay all associated environmental costs. If there are external benefits, such as in public safety, less of the good may be produced than would be the case if the producer were to receive payment for the external benefits to others. For the purposes of these statements, overall cost and benefit to society is defined as the sum of the imputed monetary value of benefits and costs to all parties involved. Thus, it is said that, for goods with externalities, unregulated market prices do not reflect the <b>full social costs</b> or benefit of the transaction.</i>
			<a href="http://en.wikipedia.org/wiki/Free_rider_problem">http://en.wikipedia.org/wiki/Free_rider_problem</a> <i>A <b>free rider</b>, in economics, refers to someone who benefits from resources, goods, or services without paying for the cost of the benefit. The term "free rider" was first used in economic theory of public goods, but similar concepts have been applied in to other contexts, including collective bargaining, antitrust law, psychology and political science. Free riding may be considered as a free rider problem when it leads to under-provision of goods or services, or when it leads to overuse or degradation of a common property resource.</i>



Section		SUNSHINE COAST COUNCIL COMMENT
		<p><a href="http://en.wikipedia.org/wiki/Public_goods">http://en.wikipedia.org/wiki/Public_goods</a></p> <p><i>In economics, a <b>public good</b> is a good that is both non-excludable and non-rivalrous in that individuals cannot be effectively excluded from use and where use by one individual does not reduce availability to others. Examples of public goods include fresh air, knowledge, lighthouses, national defense, flood control systems and street lighting. Public goods that are available everywhere are sometimes referred to as global public goods. Many public goods may at times be subject to excessive use resulting in <b>negative externalities</b> affecting all users; for example air pollution and traffic congestion. Public goods problems are often closely related to the "<b>free-rider</b>" problem, in which people not paying for the good may continue to access it, or the <b>tragedy of the commons</b>, where consumption of a shared resource by individuals acting in their individual and immediate self-interest diminishes or even destroys the original resource. Thus, the good may be under-produced, overused or degraded.</i></p>
		<p><a href="http://en.wikipedia.org/wiki/Social_costs">http://en.wikipedia.org/wiki/Social_costs</a></p> <p><i>- <b>Social cost</b> in economics may be distinguished from "private cost". Economic theorists model individual decision-making as measurement of costs and benefits. Social cost is also considered to be the private cost plus <b>externalities</b>. Rational choice theory often assumes that individuals consider only the costs they themselves bear when making decisions, not the costs that may be borne by others.</i></p>
		<p><a href="http://en.wikipedia.org/wiki/Tragedy_of_the_commons">http://en.wikipedia.org/wiki/Tragedy_of_the_commons</a></p> <p><i>- In economics, the tragedy of the commons is the depletion of a shared resource by individuals, acting independently and rationally according to each one's self-interest, despite their understanding that depleting the common resource is contrary to the group's long-term best interests. The concept is often cited in connection with sustainable development, meshing economic growth and environmental protection, as well as in the debate over global warming. "Commons" can include the atmosphere, oceans, rivers, fish stocks, national parks, advertising, and even parking meters. The tragedy of the commons has particular relevance in analysing behaviour in the fields of economics, evolutionary psychology, game theory, politics, taxation, and sociology. Some also see the "tragedy" as an example of emergent behaviour, the outcome of individual interactions in a complex system.</i></p>
		<p><a href="http://en.wikipedia.org/wiki/Market_failure">http://en.wikipedia.org/wiki/Market_failure</a></p> <p><i><b>Market failure</b> is a concept within economic theory describing when the allocation of goods and services by a free market is not efficient. That is, there exists another conceivable outcome where a market participant may be made better-off without making someone else worse-off. (The outcome is not Pareto optimal.) Market failures can be viewed as scenarios where individuals' pursuit of pure self-interest leads to results that are not efficient – that can be improved upon from the societal point-of-view.</i></p> <p><i>Market failures are often associated with time-inconsistent preferences, information asymmetries, non-competitive markets, principal–agent problems, externalities, or public goods. The existence of a market failure is often the reason for government intervention in a particular market. Economists, especially micro economists, are often concerned with the causes of market failure and possible means of correction. Such analysis plays an important role in many types of public policy decisions and studies. However, some types of government policy interventions, such as taxes, subsidies, bailouts, wage and price controls, and regulations, including attempts to correct market failure, may also lead to an inefficient allocation of resources, sometimes called government failure.</i></p>