Sunshine Coast Council

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Submission No. 7
11.1.19
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The State Development, Infrastructure and
Industry Committee
Parliament House
BRISBANE QLD 4000

Dear Chair

Submission: Sustainable Planning (Infrastructure Charges) and Other Legislation Amendment Bill 2014

Thank you for the opportunity to make a submission to your committee regarding the above Bill. Sunshine Coast Council acknowledges the need for Infrastructure Planning and Charges Reform, generally accepting the progress and direction of change to date. In particular, the first policy objective includes the following, which is supported by Council:

> *"Establish a long-term local infrastructure planning and charging framework that is certain, consistent and transparent and which supports local authority sustainability and development feasibility in Queensland".*

The submission addresses three issues that are core to local authority sustainability:

i) Removal of Building Approvals by private certifiers as a mechanism for local government to levy an Infrastructure Charge;
ii) Recognising Development Approvals, not acted on, as an existing use on the site, thereby attracting an Infrastructure Credit; and
iii) Converting non-Trunk infrastructure to Trunk infrastructure, thereby providing uncertainty and a likely heavy increase in unbudgeted Offset/Refund payments.

Individually and collectively, these three issues present significant financial risk to Council and threaten Council's financial sustainability, contrary to the first stated Policy objective of the Bill.

Details are provided in the attached submission. Council would be pleased to have a representative attend the Committee's hearings, contact person being Mr Nick Cooney (07 54418258; nick.cooney@sunshinecoast.qld.gov.au).

Thank you for your consideration of this submission.

Yours faithfully

Warren Bunker
Director Regional Strategy & Planning

Encl.

Cc: Mr John Knaggs, Chief Executive Officer – SCC

Submission to the State Development, Infrastructure and Industry Committee

Sustainable Planning (Infrastructure Charges) and Other Legislation Amendment Bill 2014

Issue 1	Section 635 – When charge may be levied and recovered
i)	Clause 635(1)(a) states that a change can be levied and recovered when "the local government has given a development approval". This statement precludes a local government levying of a charge for a Development Permit for Building Work issued by a Private Certifier.
ii)	There has been no mention of removing this aspect of levying a Charge Notice throughout the consultation period, including issues raised in the Discussion Paper : *Infrastructure planning and charging framework review* dated 28 June, 2013. To introduce such a significant change without prior consultation is considered unfair and unreasonable.
Recommendation: It is recommended that the Bill be amended by including the words "or private certifier" after the words "local government" in Clause 635(1)(a), and add Clause (iii) in 635(3)(a) to read: "if the approval was given for a Development Permit for Building Works by a private certifier, within 10 business days after it receives a copy of the development approval".	
Issue 2	**Section 636 – Limitation of Levied Charge**
i)	Clause 636(2)(b) provides for a credit/discount to be taken into account, in working out additional demand; "other development that may be lawfully carried out of the premises without the need for a further development permit". It is understood that this statement means a development that requires no further material change of use, a lot or building permits. For example, a change of use from Shop to Office in an existing building. The Explanatory Notes for this clause in Clause 9 and S636 seem to indicate that a credit will be given for a use that has a development approval but not commenced. This is contrary to the practice of allowing a credit for a 'lawfully existing use', that is, there is no use until the previous approval is acted on.
ii)	Council, in an effort to reduce red tape, has made some forms of development self-assessable thereby removing the need for a planning application and allowing a developer to go straight to a Building Approval. Clause (1)(a) works against Council's good intentions to remove red tape by removing the ability to levy the charge on the privately certified building approval.
iii)	This potential false recognition of a credit could apply to an inadvertent situation, but could also attract multiple development applications / approvals to take advantage of an available 'free' credit and avoid some or all of the legitimate Charge.
Recommendation: It is recommended that the Explanatory Notes in Clause 9 and S636 be amended to clarify that only 'existing lawful uses' of a site will be recognised as a credit.	

Issue 3	Section 659 – Application to convert infrastructure to Trunk infrastructure
i)	The Bill makes provision for an applicant for a development approval to apply for conversion of infrastructure to trunk infrastructure, thereby to apply to have an offset given should the application be successful. Providing such offsets has the potential to diminish and possibly remove entirely, Council's revenue from Infrastructure Charges. Councils provide for investment in prioritised growth related capital works (trunk infrastructure) based on an ability to fund. Infrastructure Charges combined with General Revenue make up the funding, which, as part of normal budget development, competes for funding against many other priorities of Council. Council's Plans for Trunk Infrastructure provide the programme commitment, over a 15-20 year period, based on projected revenue streams. Trunk Infrastructure, the target of this planning and investment, must remain the priority of the limited funds available. The Bill provides no limits or boundaries to what may be converted and as such presents significant concern for local government and (perhaps) unrealistic expectations in the development industry.
ii)	When Adopted Charges were first introduced in 2011, they were based to a large extent on Contributions calculated with demand, growth and required infrastructure taken into account. The level of charge reflected the proportional level of 'investment' required by development to fund future growth infrastructure. Offsets only applied to those trunk projects listed, which maintained the balance between Council and Developer funding responsibilities. Notwithstanding that the current charges are less than previously charged, they still reflect somewhat that responsibility split and to now provide for "conversion of infrastructure to Trunk infrastructure" will change that split, with potential drastic effects on Council's financial capacity.

Recommendation:
It is recommended that the Bill be amended to place boundaries on what is eligible for conversion and provide clearly what the intent is around conversions. (If it is to recognise an oversight in a council's planning or to recognise an alternative trunk infrastructure solution, then make this known.)