



Brighton Council

POLICY NAME: KEY INFRASTRUCTURE INVESTMENTS AND DEFINED INFRASTRUCTURE CHARGES **POLICY NO:** 1.7

ADOPTED BY COUNCIL: 18/9/18

POLICY:

1. PURPOSE OF POLICY:

1.1. The purpose of this '*Key Infrastructure Investments and Defined Infrastructure Charges Policy*' ('**Policy**') is to set guidelines by which Brighton Council ('**Council**') can make key infrastructure investments. Council will recoup these investments via the imposition of a charge on the creation of new lots or the intensification of land that benefits directly from these investments.

2. SCOPE:

2.1. This policy applies only to the Areas of land identified in the addendums to this Policy on the day following its adoption, as well as the Areas identified by the all future addendums adopted by Council and forming part of this Policy.

3. COMMENCEMENT:

3.1. This Policy will apply from the day immediately following its adoption by Council.

4. DEFINITIONS

Area	The geographical location within Council's municipal area to which each addendum to the Policy apply.
Equivalent Tenement	A calculation of the real effect of the load or demand on infrastructure for a particular use as a proportion of a typical dwelling.
Development	The meaning provided for within the <i>Land Use Planning and Approvals Act 1993</i> or any other matter requiring a permit under that act.
Lot	Each individual area of land created by the subdivision of a parent title or strata scheme.
Investment	The monetary contribution made by Council towards the specific piece of infrastructure to which the Charge is to be applied.
Tenement	A single detached dwelling / residence.
Tenement capacity	The number of Tenements able to be serviced by an individual infrastructure investment when fully utilised.
Charge	The proportion of Council's investment to be recouped.

5. OBJECTIVE:

- 5.1. To ensure that strategically appropriate development is not unduly hindered by a lack of critical infrastructure or inhibitive upfront costs via the assistance of Council in investing in this infrastructure. Council will seek to recoup its investment as the development of land benefitting from that investment occurs.
- 5.2. Investments made by Council will:
 - (a) ensure that services and infrastructure are provided in a sustainable manner, with the appropriate levels of service to residents, visitors and the environment;
 - (b) ensure a more equitable system for infrastructure costs for land development;
 - (c) ensure that fair and orderly development in accordance with endorsed strategies and plans can occur in the most efficient manner;
 - (d) ensure legislative requirements for provision of infrastructure and for infrastructure-related charges are met;
 - (e) ensure operational processes are identified and responsibility for administering this policy is allocated; and
 - (f) demonstrate transparent and responsible support for key infrastructure.

6. POLICY:

Introduction

- 6.1. Council is committed to facilitating strategic development that aligns with its endorsed strategies and plans. Council recognises that substantial up front infrastructure costs can often lead to ad hoc and inefficient development, or stifle development all together.
- 6.2. It is particularly difficult to ensure that efficient long-term infrastructure is installed, when there are multiple land owners who share the benefits but not the costs of the construction of that infrastructure.
- 6.3. Council as an intermediary can play a role in removing this blockage by in ensuring that infrastructure costs associated with growth are equitably carried by the beneficiaries.

Background

- 6.4. The removal of the ability for TasWater to impose headworks charges has resulted in situations where the outlay costs of critical infrastructure has prohibited strategic development. Effectively TasWater has no means to recoup its costs and its investment in new capacity building infrastructure has been limited.
- 6.5. The result of this has meant that in the case of residential rezonings and subdivisions, the first to develop must incur major costs that then benefit all subsequent developers within that area.
- 6.6. Council can fill this void by acting as an intermediary and provide an investment in the upfront contribution to these infrastructure costs.
- 6.7. There may be cases where strategic infrastructure other than sewerage or water, such as roads, bridges, stormwater and the like, may be appropriate for such a strategic investment by Council.

- 6.8. This proactive approach by Council in the investment in infrastructure is likely to encourage development to occur in line with Council's strategies and plans and be in a more efficient and equitable manner.
- 6.9. This Policy is consistent with and supports Council's Strategic Plan. The Policy specifically supports the Strategic Plan in that it can be harnessed to ensure Brighton's preferred future will have:
- (a) a sustainable natural and built environment;
 - (b) infrastructure maintained at an appropriate level;
 - (c) a better image as a place where people want to live;
 - (d) an appropriate, affordable and accessible transport system; and
 - (e) practical and effective land use strategies.
- 6.10. A strategic approach to infrastructure investment and land use development will ensure that the Council delivers the highest appropriate opportunities for growth, whilst ensuring efficiency and amenity.

Principles

- 6.11. Council is not obliged to make infrastructure investments outside their normal responsibilities.
- 6.12. Council may consider investing in infrastructure where it is of the opinion there is a strong long-term benefit to the municipality and its community.
- 6.13. All relevant legislative requirements together with political, social and economic environments are to be taken into account when deciding to invest in infrastructure and recoup this investment via the imposition of a Charge on the benefitting land.
- 6.14. Any investments are to be consistent with Council's strategies, land use planning strategies and plans.
- 6.15. Investment agreements are to be appropriately structured so as to ensure that the relevant infrastructure will be completed to a satisfactory standard.
- 6.16. Charges for the recovery of Council's investment are to be calculated by reference to the total estimated benefit to an Area resulting from the infrastructure investment and is to be calculated by reference to the total sum of that investment, divided by the estimated number of Tenements that will ultimately share in the benefit of the investment.

Application

- 6.17. In applying the principals of this Policy to the individual investments made by Council, addendums to this Policy are to be made ('**Addendums**'). On adoption of these Addendums by Council, they are to be read as being part of this Policy.
- 6.18. The Addendums are to include the following detail:
- (a) a description of the specific infrastructure invested in by Council;
 - (b) the Area of land to which the Policy has application;
 - (c) the initial Investment made by Council;

- (d) the financial year in which the Investment was made;
 - (e) the Equivalent Tenement of additional capacity supported by the specific investment and infrastructure (if applicable);
 - (f) the formula by which the Charge is to be calculated and applied;
 - (g) the design assumptions and standards of the infrastructure invested in; and
 - (h) the equivalence factors to be applied for the relevant uses of the land and to be applied in calculating the Charge.
- 6.19. The infrastructure investments of Council may include but are not limited to the following general areas:
- (a) water;
 - (b) sewerage;
 - (c) roads and other transport;
 - (d) public open space infrastructure;
 - (e) stormwater drainage; or
 - (f) carparking.
- 6.20. Under each Addendum, the sum of Council's investment in the infrastructure is to be calculated and indexed to account for the Hobart CPI increase each financial year.
- 6.21. Equivalent tenement factors are to be calculated by applying industry guidelines and actual data.
- 6.22. The calculation of each Charge is to be based on the recovery of the total amount of Council's investment as a proportion to the number of additional tenements that can be serviced by that piece of infrastructure (where applicable).
- 6.23. Conditions imposed by Council on planning permits for infrastructure contributions are to read principally as follows:
- "The subdivider is to pay to the Council an infrastructure contribution of \$XX per lot in the subdivision, with such payment being made prior to the sealing of the final plan."*
- 6.24. Notwithstanding the above draft condition, developers can be given the opportunity to make an agreement with Council to allow payment at some other time.
- 6.25. The Charges under this Policy are to be indexed to the Hobart CPI and rounded to the nearest \$5, calculated at the time of payment.
- 6.26. Lots may be excluded from an Area at the discretion of Council.

7. PAYMENT

- 7.1. Payment of the Charge shall be made as follows unless otherwise authorised by the General Manager:
- (a) Subdivision - prior to the sealing of the subdivision plans;

- (b) Strata Scheme - prior to the issue of the Certificate of Approval; and
- (c) Intensified Use - prior to the commencement of the intensified use.

8. ROLES & RESPONSIBILITIES

8.1. Councillors are to:

- (a) ensure the Policy is applied consistently;
- (b) ensure this policy is utilised only for development that aligns to endorsed strategies and plans and that has significant long-term community benefits; and
- (c) approve the Key Infrastructure Investment Policy.

8.2. Senior Management Team is to:

- (a) ensure the Policy is applied consistently.
- (b) recommend additions or revisions to this policy.

8.3. Asset Services & Development Services is to:

- (a) ensure this policy is reflected in relevant Development Applications and Planning Permit conditions.

REFERENCES:

Local Government Act 1993

Local Government (Building and Miscellaneous Provisions) Act 1993

Local Government (Highways) Act 1982

Land Use Planning and Approvals Act 1993

Urban Drainage Act 2013

Water and Sewerage Industry Act 2008

Strategic Plan 2015-2025

Brighton Structure Plan 2012

Brighton Town Centre Local Area Plan 2012

Asset Management Plans

Long Term Financial Management Strategy

Long Term Financial Management Plan

ADMINISTRATIVE DETAILS:

Policy compiled: September 2018

Adopted by Council: September 2018

Reviewed:

To be reviewed: September 2020

Responsibility: Manager Development Services



GENERAL MANAGER