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BY POST / EMAIL – Glenn.Ziernik@dsgmip.qld.gov.au

Dear Mr Ziernik, *Glenn*

RE: Draft Infrastructure Charging and Offsets Plan

Thank you for the opportunity to provide comments on the draft Infrastructure Charging and Offsets Plan (ICOP) for the Ripley Valley Priority Development Area (PDA). The Urban Development Institute of Australia Queensland (the Institute) values Economic Development Queensland's (EDQ) engagement during the consultation phase of this project including a briefing to members.

The Ipswich region is anticipated to accommodate an additional 319,900 people and 111,700 dwellings by 2041 as per the South East Queensland Regional Plan (*ShapingSEQ*). This makes the Ipswich region the third largest local government area provider of dwellings to 2041 with 14 percent of the region's projected dwellings. The Ripley Valley has been identified as a major expansion area within the region with an expected capacity of 30,000 dwellings to 2041 and potential ultimate capacity of 50,000 dwellings to accommodate 120,000 people. Importantly the Ripley Valley is operating as a key South East Queensland (SEQ) location for the provision of first home buyer and more affordable new homes.

The provision of affordable homes is critical to obtaining and maintaining a quality of life for many segments of the SEQ population, particularly young families. For this reason, orderly, timely, and predictable delivery of infrastructure in the Ripley Valley is essential. The infrastructure documents prepared by EDQ are very important in assisting the industry in responding to the community's need for affordable housing. The ICOP in particular includes critical rules and guides for infrastructure delivery.

It is the Institute's understanding that the draft ICOP removes some trunk infrastructure items within the Ripley Valley PDA that will prevent the industry's ability to offset costs necessary to service the community. The Institute is concerned by the impact this will have in the delivery of the necessary housing to accommodate the population influx in the Ipswich region. We note that this will have significant impact on the supply of dwellings in the Ripley Valley PDA and thereby negative effects on the provision of affordable housing.

The Ripley Valley PDA purposely drives a theme of inclusive communities aimed to providing diverse housing including affordable and accessible housing, to cater for a variety of households and changing requirements as the community matures. The Institute urges EDQ to continue this discourse and seek opportunities to improve and promote provisions to attain a level of affordability for the community in Ipswich.

The Institute provides additional detailed recommendations and comments to the draft ICOP below to assist clarification, consistency, and accommodate additional and changing circumstances to improve infrastructure delivery in Ripley Valley.

Removal of Trunk Items

A key concern to the Institute with the ICOP is the effect of the proposed removal of specific items of trunk infrastructure. The Institute is concerned that this will result in developers still being required to deliver the infrastructure (either as required by conditions of approval or as the infrastructure is needed) but not being able to offset the costs in delivering these trunk infrastructure items. This is a previously unknown cost on land developers that may hinder the supply of affordable dwellings to meet community needs. While EDQ have proposed some transition arrangements, the timing of infrastructure delivery and other delays can render these arrangements unviable.

The Institute is aware of the following items being removed in the draft ICOP despite already being 'properly made' offset applications:

- Providence Parade \$8.0M
- Binnies Road east \$5.6M
- Aulds pump station \$2.5m

The above list is not exhaustive and the Institute is also aware that other trunk infrastructure items have been removed from the ICOP.

This change to the ground rules for development in the Ripley Valley PDA differs from those that apply in non-PDA areas where significant infrastructure responsibilities are generally made certain by Infrastructure Agreements. This change has added to industry concerns with processing delays for infrastructure, approvals, and offset payments with limited transparency all of which is creating substantial uncertainty for land owners.

As you would be aware uncertainty has critical implications in this industry, with financiers then placing pressure on projects and resulting in higher costs and impacts on home supply and ultimately impacting the affordability of new dwellings. The Institute seeks a review of infrastructure plans, planning conditions, and processes to minimise disruption to the important project that is the Ripley Valley PDA and a reinstatement of any items removed in the draft ICOP.

General

Offset Principles

The PDA infrastructure funding mechanism, through the Infrastructure Funding Framework (IFF) and associated documents, is fundamentally different to Local Government infrastructure funding and charging. We suggest this should be recognised in the ICOP to assist understanding. The principles that underpin the ICOP and could be made explicit include:

- It is the role of the IFF to ensure that the costs of infrastructure are fully funded through the IFF and the associated charges. As such, any item of work that is necessary for the delivery of the trunk infrastructure, either in part or whole, and is delivered by a landowner, is offsettable
- The IFF recognises that for greater economic efficiency in the delivery of infrastructure some works are temporary, but are required for safety or community standard reasons. These are offsettable
- If the cost estimates in the ICOP do not adequately cover the actual cost of the infrastructure, and it can be demonstrated that the infrastructure is delivered in a cost-effective method to a standard agreed by Economic Development Queensland (EDQ), then the full cost of the works and on-costs is offsettable. It is recognised that this may have future impacts on the level of future charges, however, it is also understood that many items of infrastructure will cost less than the ICOP allowance and this may offset any cost increases

- If any element of trunk infrastructure is approved under compliance assessment, then those works, and all the elements of those works are offsetable with the exception of works that have been identified as over embellishment that are to be delivered by the landowner
- The IFF recognises that the ICOP is a representation of the infrastructure at only one-point in time and that trunk networks change due to new network planning and the requirements and approvals of the relevant authorities. Network changes should however only be implemented at the periodic review of the ICOP or through the agreement of Infrastructure Master Plans. There should also be the opportunity for applicants to resubmit Infrastructure Master Plans to align with updated ICOPs
- Disruptive and costly outcomes as a consequence of substantial changes to the ICOP should be minimised and extensive grandfathering, renegotiation of deleted trunk infrastructure items and support for changes to conditions of approval will be considered
- EDO, at its discretion, may request the delivery of additional infrastructure not included in the ICOP if it provides a more efficient network or provides better community outcomes. Any costs incurred by landowners in delivering this infrastructure will be offsetable.

Source Notes

It is recommended that the source of the construction rates and the infrastructure planning be provided in the ICOP for reference.

Indexing

All rates should be indexed to 2019 rates.

Contingency and on costs

A section should be included to provide clarity about contingency and on-costs.

Municipal Charges

Water Supply

Interim and decommissioning works

These should be offsetable if included as part of the staging strategy and are required to deliver any stage of the works. This should also clarify that interim works extend to all works required to achieve operation of the trunk water i.e. earthworks required to achieve cover to service and connections/links to non-trunk mains to feed the trunk mains irrespective of pipe size.

Land for Water Supply Infrastructure

If infrastructure cannot be placed in road reserves or open space and requires additional land, this should be offsetable e.g. pump stations, pressure reduction valves (PRVs) and reservoirs. This should also include any works within that land such as clearing, stabilisation, rehabilitation, etc.

Sewer

Interim and decommissioning works

It is recommended these should be offsetable if included as part of the staging strategy and required to deliver any stage of the works. It should also clarify that interim works extend to all works required to achieve operation of the trunk sewer i.e. earthworks required to achieve operation and cover to service, and connections/links to non-trunk mains to achieve sewer discharge irrespective of pipe size.

Land for Sewer Infrastructure

If infrastructure cannot be placed in road reserves or open space and requires additional land, this should be offsetable e.g. pump stations, storage balance tanks. This should also include any works within that land such as clearing, stabilisation, rehabilitation, etc.

Roads

Road Definitions

It is recommended that road cross sections for trunk roads are included in the ICOP Appendix for clarity. The urban arterial reference in the ICOP is not included in Guideline 6. Council standard drawing SR.04 provides typical 2 and 4 lane cross sections for arterial and sub arterial road cross sections. Verge widths of 8m minimum are not appropriate for urban roads in the PDA.

Road Inclusions

It is recommended that there should be a provision for roads, other than urban arterials and trunk connectors, to be offsetable where required by EDQ to achieve desirable implementation and community outcomes and that these roads should be offsetable.

Exclusion of early (catalyst) works

It is recommended catalyst works are made offsetable as they are required infrastructure. Schedules of costs are also currently incomplete.

Service Relocations

It is recommended the cost of delivering the infrastructure including service relocations be offsetable. It is considered that these elements are reasonably part of the premise of contingency allowances.

Public Transport Infrastructure

The requirements here should be limited to bus stop pads and bus bays as it is normal that TransLink and/or Council provide shelter structures when required.

Slip lanes and turning lanes

These are an integral part of infrastructure and should be added for clarity.

Gas Conduits

The Institute agrees that not all gas conduits should be offsetable however, gas conduits that cross roads should be required, and be offsetable. This would assist to eliminate the need to excavate the road in the future. This is generally less than 0.2 percent of the overall construction cost and is well contained within the construction rate.

Landscape Establishment and Maintenance

If the delivery of landscape is a requirement for the delivery of the infrastructure, then all costs related to this, including establishment and maintenance should be offsetable. This should include any interim stabilisation works to road embankments which are required to facilitate construction of ultimate works. For example, road corridors are not always available so construction works need to tie in to ground levels with interim batters and stabilisation. Alternately, the landscape maintenance should be adopted by Council after the establishment period.

It is recommended that to ensure that accountability for establishment and maintenance of landscape works on trunk roads is equitable, and rests with the organisation best placed to undertake the works, that the establishment period be extended and clearly linked to softscape works. All hardscape works can be dealt with under the normal road on and off maintenance requirements. The recommended approach is as follows:

- Establishment of the trunk road softscape works is carried out by the landowner and will be for a minimum period of 26 weeks, or longer where stated in the development conditions. These costs will be offsetable
- Maintenance of softscape will be taken over by the local authority on completion of the establishment period
- Maintenance of structures and hardscape will be the responsibility of the Council in accordance with normal trunk road on and off maintenance requirements.

Transitional and Sacrificial Works

It is noted that the most cost-efficient method for delivering large infrastructure items is to stage them. To achieve an overall cost-efficient outcome can require transitional or sacrificial works. As this is part of the overall cost of delivery of the infrastructure, and the optimum efficiency cannot be achieved without these works, these works should be offsetable.

Intersections

It is recommended that offsetable intersections should not be limited to trunk roads. It is recommended that all intersections located on trunk roads that require traffic lights or roundabouts should be offsetable. This would align delivery of signalised intersections for safety or efficiency of the network rather than just based on road type. It is noted that many non-trunk collector roads also service more than one development area. This would provide EDQ with some flexibility to include and/or bring forward intersections that may give desirable community outcomes, such as for roads servicing school or community facility sites.

Number of intersections

It is recommended that the schedules allow for provision of intersections that cannot currently be mapped (prior to undertaking detail design). This approach has already been adopted for local parks in the ICOP.

Intersection Costs

It is considered that the construction rates for the smaller intersections may be too low. Therefore, it is recommended that for stage 1, signalised intersections be increased to \$350,000 for a 2/2/2 and \$400,000 for a 2/2/2/2. There is also scope to review the larger intersection allowances that may be above market rates. It is also requested that the ICOP confirm that offsets are available for any design work or associated costs where Council requests signal design work even if those signals are not being constructed. This is presently the practice.

Bridges & Culverts

Costs

The rates for bridges appear to be high when compared to market rates (for example, the current tendered costs for Bundamba and Deebing Creek crossing). It is recommended that these rates are reviewed and amended with adequate contingency.

RB028

There is a reference to this bridge in the ICOP but it is not shown the ICOP map.

Shared paths

Extent of shared paths

EDQ have developed a draft Active Transport Strategy that subsequently informed an update of the Guideline 6 Figure 6 Neighbourhood Connector cross section. This change increased the verge width to 6.3m, to incorporate a 3m shared path, and the road reserve by 2.5m. The cost of this increase is concerning. It has not been made clear how this change to standards benefits the wider community, no mapping of these routes in the ICOP has been provided, and no allowance is made for the increases in cost and land take. This matter should be clarified.

The draft Active Transport Strategy also envisages principle cycle routes to schools and major community facilities. Where these routes are not on the mapped trunk road network there may be a need to incorporate off road dedicated cycle paths which will also have an increased land requirement.

It is recommended that the initial allowance for shared paths on collector roads be updated with a consolidated active transport plan and considered in the DCOP development stage. Alternatively, if a Ripley Valley Active Transport Plan is not to be endorsed and implemented by EDQ, then Guideline 6 should be updated to include the relevant cross sections without shared paths so that there is clarity that the wider road reserve is optional and not mandatory.

Shared Path Costs

It is recommended that EDQ review the path construction rates and allowances as the current rate is unlikely to support the cost of lighting, culverts, and street furniture. A rate for a shared path that is not on a regional route is also required.

Path flexibility

It is necessary that the alignment of paths remains flexible and that the focus should be on the intended function of the shared path being achieved regardless of the alignment. That is, from time to time, the path may cross from road reserve to within parks or open space areas or through other co-located corridors which achieves a lower cost outcome, is more efficient, and achieves the connectivity requirements. It is recommended that paths that meet the function should be offsetable regardless of what land they are located within.

Parks and Open Space

Table 2 in Appendix 1 of the Infrastructure Funding Framework, Crediting and Offset Arrangement (IFFCOA) This is confusing and unclear on what it is trying to achieve. It is recommended that it is removed from the IFFCOA, better defined and included in the ICOP.

Road frontage

It is recommended that the comment regarding road frontage is removed as this is a planning requirement, and not part of the offsetable park costs.

Gas

This service should be included as offsetable if required by the park user.

Carparks

The cost of carparks where part of an approved park design should be offsetable.

Stormwater Management Works

It is agreed that the cost of works associated with stormwater management is excluded. However, costs associated with land and embellishments within the whole corridor park should be included (also see comments below in 'landscape establishment and maintenance'). This is consistent with the original infrastructure plans and costings and is aligned to commercial investment considerations by landowners. This ensures that the costing remains consistent with the infrastructure funding and charging framework. For clarity, it is accepted that assets related to stormwater quantity and quality management are excluded from offsetable costs, except where associated with other trunk infrastructure such as roads.

In some authorities, stormwater devices are considered to be included within the open space land provisions. For example, in Brisbane it is permitted that stormwater basins can be considered as open space when they are restricted to five percent of the total open space area. Please clarify that this approach is acceptable in the ICOP.

It is acknowledged that costs associated with stormwater infrastructure and stabilisation of embankments or headcuts, etc in open space are not offsetable. However, we recommend this not apply to areas that would ordinarily require rehabilitation even before development.

Linear Parks

Restrictions on the extent of the corridor parks should be removed as it is impractical to artificially set the width and area of corridor parks. Also, such parks are increasingly appreciated by the community even over traditional local parks. In addition, the original costing, on which the IFF was based, allowed for an embellishment rate over the full area of the linear park. It is not considered equitable to now change this as this will mean that some landowners will now be exclusively funding infrastructure that is for the benefit of the whole PDA area.

Landscape Establishment and Maintenance

If the delivery of landscape is a requirement for the delivery of the infrastructure, then all costs related to this should be offsetable. It is inequitable for individual developers to pay for trunk infrastructure works which benefits the whole PDA.

A recommended approach to landscape works for parks and open space, is to extend the establishment period of softscape works, with Council then taking over maintenance and operation of the park. The approach is outlined as follows:

- Establishment of the softscape works to be carried out by the landowner for a minimum period of 26 weeks, or longer where stated in the development conditions. These costs will be offsetable
- Maintenance of softscape to be taken over by the local authority on completion of the establishment period
- Maintenance of the hardscape including structures, and operation of the park, will be the responsibility of Council at the completion of on maintenance procedure (after practical completion) in accordance with the on and off maintenance procedures
- Defects rectification is the responsibility of the landowner until the end of the defects period. The cost for defect rectification is the responsibility of the landowner with no offsets.

Other uses not covered in the guidelines

Although not an ICOP matter, it would be of value to the community if the parks guidelines included other uses such as dog parks, fitness areas etc. Where agreed as part of a park embellishment and cost, these should be offsetable.

The guidelines should also be amended to cover where irrigation is required, and this should be offsetable – e.g. sports parks.

Community Facilities

Earthworks

It is recommended that the extent of earthworks used for calculating the servicing rate is defined for clarity.

Road Frontage

This is an item that requires further clarification. The original servicing rate allows only for servicing to one frontage of the site. It is recommended offsets be provided for 50 percent of all local roads that provide access to the facility.

Flood immunity

The definition requires clarification.

Gas

It is recommended gas provision is offsetable to cover servicing where it is specified by the end user.

State Schools

Earthworks

It is recommended that the extent of earthworks used for calculating the servicing rate is defined for clarity.

Road Frontage

This is an item that requires further clarification. The original servicing rate allows only for servicing to one frontage of the site. In the original plan, all schools were located with at least one frontage on a trunk road; therefore, this frontage cost was already offset. However, the Department of Education is now requesting that sites are located on non-trunk roads and with more than two street frontages. This will increase the servicing cost. It is recommended offsets are provided for 50 percent of all local roads providing access to the school. This

should also be adjusted to 100 percent offset in instances where the road frontage does not provide any direct access or benefit to the landowner's development.

Access Street to School yard and playing fields

As above there is a potential for a major variance from the ICOP servicing allowance for school sites due to the steep grade and/or flood prone nature of the mapped sites. It is unreasonable for the landowner to fund servicing costs over and above the offsetable ICOP allowance in this case. Therefore, the notes should cover and clarify the circumstances where the landowner needs to deliver works in excess of the ICOP provision.

It is recommended the servicing costs be capped at the ICOP rate and EDQ should confirm with the Department of Education that this is the total allowance, and all additional costs are to be borne by the Department.

Flood immunity and site works

If a particular outcome is required, then this should be specified, noting that the significant works will result in the ICOP allowance being exceeded and additional funding will be required from the Department of Education. Land handed over for schools should be inclusive of the area required for stormwater management devices given this is essentially a service. There should be no requirement for additional land for stormwater devices.

Gas

It is recommended gas is included to cover servicing where specified by the end user.

Roads

It is recommended that additional intersection works, turn lanes to car parks, bus bays, shelters, seating and road safety fencing are included as offsetable where specified by the end user or Council/EDQ.

Emergency services and health facilities

Earthworks

It is recommended that the extent of earthworks used for calculating the servicing rate is defined for clarity.

Road Frontage

This is an item that requires further clarification. The original servicing rate allows only for servicing to one frontage of the site. Offsets should be provided for 50 percent of the cost of all local roads providing access.

Flood immunity

The definition should be clarified.

Gas

It is recommended gas is included to cover servicing where specified by the end user.

Provision of Land

Land Value

The land values under the Infrastructure Funding Framework have always been fixed and only adjusted annually by the average 3-year PPI value. Therefore, the word 'maximum' should be removed from this section to better reflect the actual land value and costing methodology. Also, there is no direction given on why it should be anything other than the nominated amount.

Pump stations and water reservoirs

If land is required to be delivered as infrastructure, then it should be offsetable – as noted in water & sewer sections.

Shared paths

If additional land is required for shared paths on neighbourhood connectors, then it should be offsettable (approximately an additional 2.5 metre width) as noted above in the shared path section.

Corridor parks

If land is not part of water quantity or quality infrastructure, then it should be offsettable – as noted above in the parks and open space section.

Excluded Assets

Landscape Maintenance

This should be offsettable if it is a part of delivering trunk infrastructure (see above).

Telecommunications

As there is a long-standing State agreement with Telstra to the exclusion of other providers, where there is an extra impost on a development to extend services, those costs should be borne by the State. Alternatively, other options such as wireless technology should be permitted in a staged manner to avoid significant costs.

Sub-Regional Infrastructure

Queensland Urban Utilities endorsement of the strategic mapping should be provided to ensure that sub-regional cost provisions can be relied on.

Conclusion

Thank you for the opportunity to provide comments on the draft ICOP. The Institute supports the efforts of EDQ in the Ripley Valley PDA and has provided detailed recommendations to assist with resolving the change to the new ICOP and improve the clarity, consistency, and scope of the ICOP.

We note that the Institute expresses concern over the draft ICOP's removal of trunk infrastructure items and the impact this will have on the provision of affordable housing in the region. Ripley Valley is a critical growth front for the South-East Queensland region and these specific changes have created uncertainty across the PDA. The Institute reiterates that this will limit the industry's ability to deliver homes and will impact the steady delivery of housing supply in Ripley Valley.

If you have any questions relating to matters raised in this letter, please contact Manager of Policy, Martin Zaltron (mzaltron@udiaqld.com.au).

Yours sincerely,

Urban Development Institute of Australia Queensland



Kirsty Chessher-Brown
Chief Executive Officer