

**SUPPLEMENTARY ITEMS**

**COUNCIL MEETING ON 1 MARCH 2024**

- 16. **OFFICERS' REPORTS:**
  - 16.2 11057/2022/PDAEE - Municipal Infrastructure Works - Trunk  
Transport Infrastructure Offset Approval ..... 3



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*This matter has been determined to be of a significant nature and approval has been given to refer this report to the Council as a supplementary item.*

ITEM: 16.2

SUBJECT: 11057/2022/PDAEE - MUNICIPAL INFRASTRUCTURE WORKS - TRUNK  
TRANSPORT INFRASTRUCTURE OFFSET APPROVAL

AUTHOR: SENIOR TECHNICAL OFFICER (ENGINEERING)

DATE: 26 FEBRUARY 2024

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## EXECUTIVE SUMMARY

This is a report concerning the offset of project costs associated with the construction of a road in the Ripley Valley Priority Development Area against levied infrastructure charges associated with development in proximity of the road project.

The project in question is the construction of Ripley Road between Parkview Parade and Centenary Highway Ripley.

## RECOMMENDATION/S

**That an actual offset of \$11,268,048 be approved for Ripley Road between Parkview Parade and the Centenary Highway, Ripley.**

## RELATED PARTIES

The related party is:

- Ripley Town Holdings Pty Ltd (Developer)
- Arissa Tan [arissa.tan@sekisuihouse.com.au](mailto:arissa.tan@sekisuihouse.com.au)

## IFUTURE THEME

Vibrant and growing

## PURPOSE OF REPORT/BACKGROUND

### ***Background***

When developers deliver identified trunk infrastructure as part of development approvals, the infrastructure is eligible for offset against the infrastructure charges that would ordinarily be levied for the proposal.

This involves a complex process to ensure that the design of the infrastructure in question is meeting the desired standards for the infrastructure, and that the infrastructure is delivered in accordance with that desired standard.

Upon completion of the infrastructure, the developer can claim the cost of the infrastructure as offsets, therefore reducing the amount of levied infrastructure charges paid by the development over time.

This process is ordinarily managed under existing delegations and sub delegations; however, business processes were adopted in 2019 requiring that decision making thresholds considering the value of the project be implemented as follows:

- Up to and including \$500,000.00 – Manager, Engineering, Health & Environment;
- Up to and including \$2,000,000.00 – General Manager, Planning & Regulatory Services;
- Up to and including \$5,000,000.00 – The CEO, Ipswich City Council; and
- Greater than \$5,000,000.00 – Council.

It is critical to note that this is not the expenditure of this money, nor is it the authorisation of this money to be expended by the developer. This investment has already been made by the developer, the works approved by Council and the value of the claim analysed and approved by EDQ. This recommendation is focussed on its recognition as a credit for future development.

### ***Approval history***

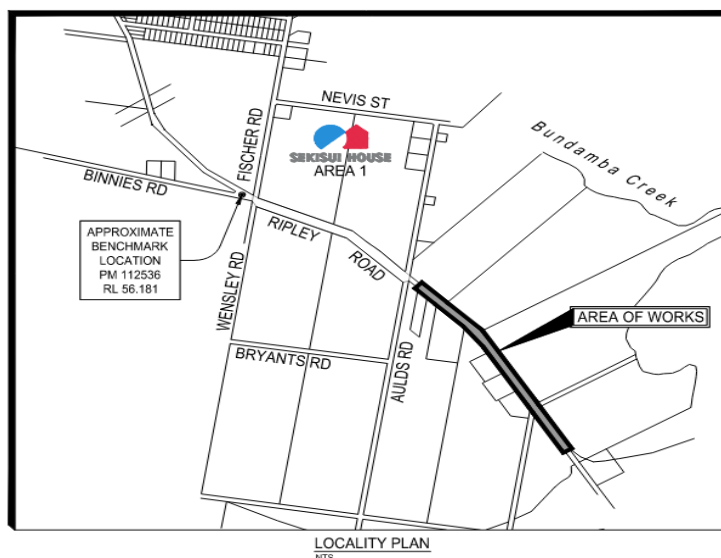
Council issued a Pre-construction Acknowledgement in October 2015 for reconstruction of Ripley Road (23/2013/PDAEE -Extent of works shown below). Ripley Road is creditable trunk infrastructure under the Ripley Valley PDA Development Charges and Offset Plan (DCOP) and the Developer, Ripley Town Holdings Pty Ltd are entitled to make this claim for trunk infrastructure delivered under conditions of their approval.

The purpose of this report is to seek authorisation for the granting of Actual Offsets by council given the value of the transaction.

### Locality Plan



Plan Extract From 23/2013/PDAEE



### Offset Approval Methodology

Following submission of a request from the developer, the actual offset was referred to Economic Development Queensland (EDQ) for review and endorsement on 24.11.2022.

On the 22.12.2023 EDQ provided to Council endorsement of the Provision offset [Infrastructure Offset Assessment by EDQ](#). A summary of EDQ's assessment of the - Trunk Transport Infrastructure is as follows:

### Accrued Offset for provision of Municipal Charges – Transport, Ripley Valley

Applicant's Claim - \$11,613,627 (indexed to July 2023 dollars)

EDQ's endorsed early accrued offset - **\$11,268,048 (Indexed to July 2023 dollars)**

Infrastructure identified within the DCOP that forms part of this provisional claim is identified within table 1.

**Table 1. EDQ Assessment of Applicant’s Claim**

<b>Offset Type</b>	<b>I/DCOP ID</b>	<b>Offset Description</b>	<b>Applicant’s Claim</b>	<b>EDQ Endorsed Actual Accrual Offset</b>	<b>Notes</b>
Municipal Charge	R047	Road		\$9,388,272.53	*Applicants claim not itemised for assessment
Municipal Charge	RI035	Intersection		\$241,114.57	
Municipal Charge	RI040	Intersection		\$435,601.27	
Municipal Charge	RI031	Intersection		\$255,212.69	
Municipal Charge	RI033	Intersection		\$405,177.65	
Municipal Charge	RC016	Culvert		\$372,254.82	
Municipal Charge	RC017	Culvert		\$170,414.41	
<b>Totals</b>			<b>\$11,613,627*</b>	<b>\$11,268,048</b>	

There is further background to the assessment available if required.

**LEGAL IMPLICATIONS**

This report and its recommendations are consistent with the following legislative provisions:

- Economic Development Act 2012*
- Development Charges and Offset Plan (DCOP)*
- Adopted Infrastructure Charges Resolution*
- Local Government Infrastructure Plan*

**POLICY IMPLICATIONS**

Not applicable

**RISK MANAGEMENT IMPLICATIONS**

Council has an obligation to process these types of transactions in accordance with the *Economic Development Act 2012*, *Development Charges and Offset Plan (DCOP)* and the underlying delegation which details the operating arrangements for Council performing development assessment functions within the PDA. Failure to determine these amounts will also require the payment of additional levied infrastructure charges for future stages of the development, meaning that the developer will need to invest additional capital to finalise

upcoming charges, and then Council may be in a position of having to refund the paid charges to account for the construction of this asset.

### **FINANCIAL/RESOURCE IMPLICATIONS**

There is no direct financial implication of this decision.

### **COMMUNITY AND OTHER CONSULTATION**

Not Applicable

### **CONCLUSION**

That Council has determined that actual infrastructure credits of \$11,268,048 will be assigned to Ripley Town Holdings Pty Ltd for use in offsetting levied infrastructure charges in future stages of development.

### **HUMAN RIGHTS IMPLICATIONS**

HUMAN RIGHTS IMPACTS
<b>NON-DISCRETIONARY DECISION</b>
Recommendation A, states that an actual offset of \$11,268,048 be approved. Council has no ability to act differently/make a different decision because of <i>Economic Development Act 2012</i> that requires Council to provide infrastructure credits for trunk infrastructure. Therefore, while the proposed decision may not be compatible with human rights Council's decision will not be unlawful under the <i>Human Rights Act 2019</i> .

Shane Mossley  
**SENIOR TECHNICAL OFFICER (ENGINEERING)**

I concur with the recommendations contained in this report.

Shahadat Hossain  
**MANAGER, ENGINEERING, HEALTH AND ENVIRONMENT**

I concur with the recommendations contained in this report.

Brett Davey  
**GENERAL MANAGER PLANNING AND REGULATORY SERVICES**

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