

Policy Number:	8.13
Policy Name:	Sustainable Urban Development & Infrastructure Funding
Classification:	Public – Council Policy
Adopted:	24 November 2015
Frequency of Review:	Biennial
Last Review:	November 2015
Next Review Due:	November 2017
Responsible Officer(s):	Manager Economic Development, Regulatory Services and Communications
Policy and Code of Practice Manual File Ref:	CC10/2601
Council File Reference:	CR14/18876
Legislation Authority:	N/A
Related Policies and Codes:	N/A
Related Procedures:	N/A

1. INTRODUCTION

- 1.1 This policy provides guidance on Council's position on sustainable urban development, and funding of community infrastructure, prior to re-zoning.

2. POLICY

- 2.1 Section 6 of the Local Government Act 1999 defines the roles of a Council. It requires a Council to provide and co-ordinate various public services and facilities and to develop its community and resources in a socially just and ecologically sustainable manner.
- 2.2 Section 8 provides that a Council must in the performance of its roles and functions seek to facilitate sustainable development and the protection of the environment and to ensure a proper balance within its community between economic, social, environmental and cultural considerations.
- 2.3 Section 133 provides that a Council may obtain funds "as may otherwise be appropriate in order to carry out its functions".

SUSTAINABLE URBAN DEVELOPMENT & INFRASTRUCTURE FUNDING POLICY 8.13

- 2.4 Gawler's population has increased from 17,800 in 2001 to 21,828 in 2011, and is expected to increase to 32,858 by 2026.
- 2.5 Some areas within Gawler have grown at a much faster rate than the average. Parts of the town have a higher than State average of children and young people. Areas immediately adjacent to Gawler have been extensively developed for urban and rural living. These communities enjoy the use of facilities and services in Gawler.
- 2.6 The increasing population has placed pressure on existing infrastructure such as roads, car parking, drains, transport, public open space and community facilities such as sporting and recreation facilities, kindergartens, and children's services.
- 2.7 Council's capacity to respond to these increasing demands is limited by its current rate and grant-based revenue streams. Gawler serves 'regional' needs within a 'local' budget. The Council also faces an infrastructure funding backlog, due to the age of the town and needs to increase asset renewal expenditure.
- 2.8 To ensure the community's social wellbeing and health, economy and environment through provision of infrastructure, Council in partnership with the development industry has a responsibility to ensure adequate infrastructure and services are provided.
- 2.9 Without a partnership between Council and developers there is a high risk that the future wellbeing of the community will be jeopardised. In addition, the attractiveness and viability of the Town as a place to live and work will be compromised.
- 2.10 As a principle of sustainable development, it is essential that new urban development's contribute to the establishment and upgrade of facilities and services that result from new community growth.
- 2.11 The Town of Gawler is committed to and welcomes sustainable development - environmentally, socially and economically sustainable development. Existing ratepayers and residents should not be burdened with a liability to provide additional & upgraded infrastructure to service new urban developments. The Council will seek to reach agreement with Developers on the funding of community infrastructure, prior to re-zoning. This will help to provide and fund the infrastructure needed to ensure the orderly integration of new development within the existing urban fabric.
- 2.12 Urban development adjacent to Gawler's boundaries will be strongly opposed, without agreement on contributions or boundary adjustment.
- 2.13 Opportunities for partnerships with developers and Government for the provision or sharing the cost of off-site infrastructure will be investigated, where such arrangements are mutually beneficial.

- 2.14 Developers and landowners receive huge value increases when their land is rezoned. New development eventually yields the Council additional rate income, but this is not adequate to finance infrastructure required 'up front'. Developers and landowners who benefit from the rezoning of land should contribute to the cost of infrastructure, including social & recreation infrastructure such as community facilities, libraries, playgrounds, and community transport.
- 2.15 The Council is expected to provide new communities with immediate access to a range of facilities and services. Rate income from new development will not cover the cost of new and augmented facilities and services, for many years. It is unreasonable for other taxpayers to cross subsidise the impact of new development. New development may trigger off site diseconomies, which have to be remedied by the Council (e.g. upgrades to parts of the road traffic network).
- 2.16 In South Australia, the Development Act specifies provisions for contributions for open space and car parking; and are limited to imposing obligations on developers to provide services on the land being developed-only (thus avoiding off-site impacts and requirements). The Local Government Act allows different types of rates, but this method is inflexible and does not cover non-contiguous land or nonspecific activities. The Town of Gawler would prefer a state-wide legislative approach to the issue of infrastructure funding.
- 2.17 Urban residential development cannot proceed without rezoning to a residential zoning. The zoning mechanism provides a trigger to deliver infrastructure. Land will not be rezoned in the Town of Gawler until the beneficiaries of the rezoning agree, as a pre-condition of rezoning, to finance their fair share of infrastructure required for community building and integration of the development.
- 2.18 This will reduce duplication and increase efficiency of infrastructure. For example, whole-of-area stormwater retention and management will be more efficient in cost and engineering terms than the piecemeal distribution of such infrastructure as series of individual elements across a range of separate developments.
- 2.19 Efficient allocation of resources occurs when price signals show the amount of infrastructure required. Thus prices should reflect the costs of services.
- 2.20 The Council's preference is for a Development Contribution Agreement with the developer, to provide certainty regarding items, quantum, indexing and timing. The contribution will help to provide basic and essential services and facilities to ensure the safe, healthy and efficient functioning of a new community, and its integration on a cost-neutral basis with the existing community. It will include reimbursement of the Council's reasonable costs of processing the application - planning studies, statutory, consultant, and legal costs. It will define:
- 2.20.1 costs and standard of infrastructure.
- 2.20.2 timing of the provision of infrastructure.
- 2.20.3 indexing.

- 2.20.4 parties' obligation to provide items of infrastructure.
 - 2.20.5 timing of payments towards infrastructure.
 - 2.20.6 upfront provision of infrastructure by developer.
 - 2.20.7 works-in-kind in lieu of a cash contribution.
 - 2.20.8 financial security arrangements i.e. bank guarantee.
- 2.21 Infrastructure is defined as basic works, services or facilities required to facilitate the physical development and integration of a new urban area, to promote the living standards and enjoyment of people residing in, visiting or affected by the development, including but not limited to:
- 2.21.1 transport - roads, bridges, footpaths, road widening, connector roads, road facility upgrades, street furniture, lighting upgrades, intersection treatments, traffic management/control devices, railway parking, community transport, bus stops, seating, additional parking in commercial areas.
 - 2.21.2 water, sewerage and drainage – reticulation, waste treatment, recycling, area drainage, stormwater management, urban water cycle management infrastructure, detention basins; wetlands; and aquifer storage.
 - 2.21.3 recreation - land for open space, fit-out of active or passive open space, pedestrian links and systems, bike paths, linear parks, earthworks, landscaping, signage, fencing, playground equipment, seating.
 - 2.21.4 community facilities - community centres, neighbourhood houses, libraries, meeting places, kindergartens, town centre streetscape, cultural facilities, family and children facilities.
 - 2.21.5 acquisition of land.
- 2.22 It is assumed Developers will provide all on-site infrastructure – e.g. wastewater/stormwater management/connections (distribution, reticulation, headworks, local treatment plants; holding and disposal areas, provider headworks charges), roads, road connectors, public open space & landscaping/facilities, energy distribution networks, and telecommunications.
- 2.23 The need for infrastructure must be properly demonstrated and the full cost of its provision calculated. The Development Contribution to provide the specified infrastructure must be clearly linked, i.e. have both a 'temporal' and 'spatial' nexus, with the identified needs of the development. Amounts charged to the development must be equitable in that calculated costs must be fairly apportioned without charges for backlogs or double dipping. Funds collected must be applied to the provision of specified infrastructure and accounted for in an open and transparent manner.

SUSTAINABLE URBAN DEVELOPMENT & INFRASTRUCTURE FUNDING POLICY 8.13

- 2.24 A Development Contribution is an agreed contribution of cash, land or works-in-kind obtained from a developer for the purpose of partly or wholly funding infrastructure. Some items may be any or all but not limited to the following three:
- 2.24.1 Lump sum e.g. provision of connector road and new traffic lights;
 - 2.24.2 Per lot or per area contribution – to provide for defined infrastructure;
 - 2.24.3 Reimbursement – of Council's reasonable costs in processing the Application
- 2.25 Council will manage the income generated from Development Contributions through Reserves in an accountable and transparent manner.

3. REVIEW AND EVALUATION

The effectiveness of this Policy will be reviewed on a biennial basis.

The Chief Executive Officer will report to Council on the outcome of the evaluation and if relevant make recommendations for amendments, alteration or substitution of a new Policy.

The Policy will not be altered or substituted so as to affect a process already commenced.

The Policy will be reviewed after each general election of Council.

4. FURTHER INFORMATION

Further information about this Policy can be obtained by:-

Telephone: 8522 9211
Fax: 8522 9212
Email: council@gawler.sa.gov.au
Appointment: Town Hall, 89 – 91 Murray Street, Gawler
Letter: PO Box 130, Gawler SA 5118

5. AVAILABILITY OF POLICY

The Policy is available for inspection during ordinary business hours at the Council principal office, Gawler Town Hall or Library Council Offices, 89 – 91 Murray Street, Gawler or is available on the Council website at www.gawler.sa.gov.au.

A copy of this Policy will be provided to interested parties upon request, for a fee as contained in the Register of Fees and Charges.