


# Second Compliance check of City of Gold Coast local government infrastructure plan

Prepared by: Integran Pty Ltd

Version	Date	Reviewer name and signature	
Final	2 <sup>nd</sup> April 2019	S.Bentley	

## **1.1 Introduction**

Integran Pty Ltd has been engaged by City of Gold Coast (CoGC) to undertake a second compliance check of its proposed Local Government Infrastructure Plan (LGIP) - Stormwater Quality Major Amendment.

Integran Pty Ltd is required to:

- (1) evaluate whether a proposed LGIP complies with the requirements outlined under the statutory guideline for making and amending planning instrument (MALPI) and Statutory guideline 03/14 – Local government infrastructure plans, including the LGIP template, the SOW model and the LGIP Checklist.
- (2) provide a written statement and the completed checklist to the local government detailing the findings of the compliance check.

## **Scope exclusions**

The following items are outside the scope of this review:

- A verification of the accuracy of individual inputs used in the preparation of an LGIP.
- A review of the local government's Long Term Financial Forecast (LTFF) or asset management plan (LTAMP) other than to determine the extent of their alignment with the LGIP.
- A review of the LGIP components that relate specifically to the water supply, sewerage, transport and public parks and land for community facilities, except for the purposes other than to perform the Financial Sustainability Assessment requirements of the compliance check.

## Compliance check process

The process used to undertake the compliance check comprise the following steps:

Stage	Description
<b><u>Engaged</u></b>	<ul style="list-style-type: none"> <li>Integran Pty Ltd was appointed by CoGC as the LGIP reviewer in August 2015.</li> <li>Integran Pty Ltd was also engaged by CoGC to assist in preparation of its compliant Schedule of Works (SoW) model as an output of the draft LGIP's integration into Integran's CORR software.</li> <li>Integran has been providing ad hoc direction and advice to Council since August 2015 during the preparation of the LGIP.</li> </ul>
<b><u>Review – First compliance check</u></b>	<ul style="list-style-type: none"> <li>Review formally commenced on 23<sup>rd</sup> May 2017.</li> <li>Additional information was requested and refined throughout the review processes.</li> <li>Meeting/Teleconferences were held with the local government to further clarify LGIP material throughout the review period, in particular the Financial Sustainability discussions on the 6<sup>th</sup> June 2017.</li> </ul>
<b><u>Report – First compliance check</u></b>	<ul style="list-style-type: none"> <li>Final report issued on 30<sup>th</sup> August 2017.</li> </ul>
<b><u>Review – Second compliance check</u></b>	<ul style="list-style-type: none"> <li>Review formally commenced on 14<sup>th</sup> December 2018</li> <li>Correspondence throughout the review process occurred with the local government to clarify specific issues, in particular the extent and nature of changes made at the following milestones:               <ul style="list-style-type: none"> <li>after completion of the first compliance check;</li> <li>after the approval to commence public consultation was issued;</li> <li>after public consultation concluded.</li> </ul> </li> </ul>
<b><u>Report – Second compliance check</u></b>	<ul style="list-style-type: none"> <li>Final report issued on 2<sup>nd</sup> April 2019</li> </ul>

The following local government personnel were involved in the compliance check:

Name	Title	Date of discussion(s)	Scope of discussion
Trina Bristowe	Senior Project Manager – LGIP Project	6 <sup>th</sup> June 2017	<ul style="list-style-type: none"> <li>Discussions regarding alignment of the LGIP to the Council's LTFF and the Financial Sustainability objectives underpinning the LGIP.</li> </ul>
Jordan Reeves	Executive Coordinator Financial Strategy & Development – Corporate Finance		
Kathy Baker	Manager Service Sustainability – Gold Coast Water and Waste		
Lau, Chean-Piau	Executive Coordinator Strategic Infrastructure		

Lau, Chean-Piau	Executive Coordinator Strategic Infrastructure	Various dates throughout the Course of the LGIP Review commencing in August 2015	<ul style="list-style-type: none"> <li>• Clarifications surrounding the preparation of the Planning Assumptions, PIA, LGIP Documents, Extrinsic Materials, PFTI and SoW modelling.</li> </ul>
Trina Bristowe	Senior Project Manager – LGIP Project		
Mark Innis	Senior Infrastructure Planner City Planning Branch		
Lau, Chean-Piau	Executive Coordinator Strategic Infrastructure	Various dates throughout the Course of the review commencing in December 2018	<ul style="list-style-type: none"> <li>• Clarifications surrounding the extent and nature of changes made at significant milestones throughout the MALPI process</li> <li>• Revisions made to the Local Government responses within the LGIP Checklist.</li> </ul>
Trina Bristowe	Senior Project Manager – LGIP Project		

## **Compliance check findings**

### **General**

Integrans second compliance check of the draft City of Gold Coast LGIP has found that the content and format of the LGIP complies with the LGIP template, LGIP checklist and Statutory Guideline 03/14 (and equivalent documents to come into effect with the new Planning Act in July 2017).

This LGIP compliance check document has been prepared for the Major Amendment associated with the inclusion of the Stormwater Quality Network. It is necessary to consider the LGIP in its entirety (i.e. all networks) to ensure a holistic assessment can be made against the statutory requirements.

Council have an existing transitional LGIP, which provided a foundation upon which the LGIP was developed.

As this Major Amendment relates only to the stormwater quality network, no consultation was considered necessary with the Department of Transport and Main Roads (DTMR) or Gold Coast Water. Both agencies were consulted separately as part of the development of the broader LGIP document.

Given the work undertaken and the informal reviews performed with Council over the past two years, Integrans recommends that the LGIP should proceed without any conditions.

### **Compliance with MALPI**

Review of the draft LGIP against the statutory guideline for making and amending planning instruments (MALPI) found no compliance issues with respect to compliance.

Public consultation was undertaken for 31 business days, from the 2<sup>nd</sup> of October to the 13<sup>th</sup> of November 2018.

Three properly made submissions were received during the public consultation period, raising a total of 13 submission matters. Council has considered and addressed each matter, summarised within a submissions report. No changes have been made to the draft LGIP as a result of these submissions.

### **Financial Sustainability Assessment and Alignment between Long-term Planning Documents**

The schedules of works and growth and revenue assumptions in the LGIP have been compared against City of Gold Coast's Long Term Financial Forecast (LTFF) and Asset Management Plan (AMP) to determine their extent of alignment. Council has indicated that the capital works projects identified within the LGIP are consistent with those which

are included in the AMP and LTFF modelling and therefore alignment of these two processes has been achieved. Council acknowledges that these two processes, although performed separately, have been aligned through an iterative process during the development of the LGIP.

Discussions with Council during the assessment has indicated that the demand and growth assumptions that underpin the LTFF are more conservative than those applied in the LGIP. A number of factors influence this misalignment, specifically the use of the more conservative revenue forecasts which typically reflect both the historical and foreseeable growth rates for the LTFF modelling, as opposed to the LGIP projections which are more closely aligned to the State Government population and employment forecasts. Such differences are inevitable due to the varying growth outlooks (i.e. conservative versus optimistic) adopted for *Local Government Regulation 2012*, the *Sustainable Planning Act*, the *SEQ Regional Planning Process* and LGIP Guidelines.

During the LGIP review process Council has highlighted that due to the risks associated with varying revenue assumptions, a range of modelling was performed to ensure that the LGIP is affordable under the both revenue scenarios.

The key findings of Council's internal review are as follows:

1. For all revenue scenarios, Council remains within State benchmarks for the key financial sustainability ratios identified in the Australian Infrastructure Financial Management Guidelines – V1.3.
2. Council has a reasonable level of flexibility in funding trunk infrastructure from alternate revenue sources where infrastructure charges revenue falls short of expectations.
3. Council has considerable flexibility in the management of debt to deal with differences that occur in the timing of delivery of trunk infrastructure and the receipt of infrastructure charges revenue.
4. Despite having flexibility in alternate revenue sources and debt, it is critical that Council carefully monitors actual growth and revenue receipts and prudently manages the timing of the delivery of trunk infrastructure in accordance with those observations to deliver trunk infrastructure in accordance with the DSS and not in excess of it.
5. Trunk infrastructure needs to be included in the overall prioritisation of the entire capital program.

## Conclusions

The draft City of Gold Coast LGIP complies with the LGIP template, LGIP checklist and LGIP guidelines.

Integran's assessment has found that from the information provided and discussions held that there is substantial alignment between both the LGIP and LTFF processes and that throughout the development of the LGIP, Council has established a range of business processes that will ensure that this alignment is further improved in the future.

Council has demonstrated that although the forecasted revenues may differ between the two processes, Council will be in a position to fund the required revenues to support the growth through a range of revenue sources as required.

## Recommendations

Integran Pty Ltd recommends to the City of Gold Coast that the LGIP should proceed unchanged.

Integran does however recommend that future LGIP reviews consider the following:

### **Achieving better alignment between the LGIP and LTFF / LTAMP**

During the first compliance check and LGIP review process, Council acknowledged the misalignment that exists between the LGIP and LTFF processes with respect to the desired standards of service and inability to accurately identify specific LGIP stormwater quality projects.

Since this time, Council has undergone a review into their LTFF and LTAMP, achieving better alignment of the LGIP outcomes into these processes. We commend Council for the progress made and continue to recommend the further development of the Stormwater Quality Network Planning to more clearly identify future projects across the city to achieve the LGIP DSS. These Standards and network outcomes should be incorporated into future revisions of the LTFF / LTAMP and LGIP to improve the alignment of these processes and to more clearly identify Council's preferred infrastructure projects and stormwater quality solutions to achieve the nominated DSS.

### **Longer term planning horizons across all infrastructure networks**

Although the LGIP achieves the necessary planning horizons required by the Legislation, there is significant benefit in understanding the infrastructure requirements being driven the Planning Scheme over the longer-term. Having this visibility beyond a 15 year horizon for all Infrastructure Networks will ensure that Council can better understand any potential for efficiencies in infrastructure delivery and investment and to more dynamically adapt to changes in development outcomes that occur over time.

## **Planning assumptions and demand modelling**

In the preparation of the LGIP, Council undertook detailed modelling of the population and employment that drives the demands for infrastructure. Given the extensive time that it takes to prepare the LGIP from inception to adoption, these assumptions will inevitably become less current.

We recommend that future revisions of the LGIP incorporate latest QGSO projections and outcomes of the soon to be released ABS Census 2016 data and Shaping SEQ (Regional Plan) document and that this be used as the basis for all network modelling.

## **Recommended conditions to be imposed**

### **Document integration**

When incorporating the amendments into the currently adopted LGIP, Council should ensure that these amendments do not inadvertently result in incorrect numbering and referencing within the document (i.e. where changes affect numbering or ordering of other network information).