

## Appointed reviewer statement template

Approved form MGR5.2 under the Planning Act 2016

# Compliance check of Bundaberg Regional Council local government infrastructure plan

Prepared by: Integran Pty Ltd.

Version	Date	Reviewer name and signature
Final	20/02/2025	Simon Bentley 

## Introduction

Integran Pty Ltd has been engaged by Bundaberg Regional Council to undertake a compliance check of its proposed Local Government Infrastructure Plan (LGIP).

Integran Pty Ltd is required to:

- (1) evaluate whether a proposed LGIP complies with the requirements outlined under the *Planning Act 2016* and the Minister's Guidelines and Rules, including:
  - (a) the SOW model requirements in Schedule 7 of the Guideline and Rules;
  - (b) the LGIP template;
  - (c) the approved form MGR5.1 – LGIP Review Checklist; and
- (2) comply with the fundamental ethical principles of integrity, objectivity, professional competence, due care and professional behaviour when reviewing the LGIP; and
- (3) 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 (AMP) other than to determine the extent of their alignment with the LGIP.

## Compliance check process

The process used for the compliance check is as follows:

Stage	Description
<b><u>Engaged</u></b>	<ul style="list-style-type: none"> <li>Integran Pty Ltd was appointed by Bundaberg Regional Council as the LGIP reviewer on 23 August 2023.</li> <li>Integran Pty Ltd was also engaged by Bundaberg Regional Council to assist with preparation of its LGIP Amendment, focussing on planning assumptions, PFTI mapping, Schedule of Works modelling and collation of all documentation.</li> </ul>
<b><u>Review</u></b>	<ul style="list-style-type: none"> <li>Informal review commenced early December, as final documentation was finalised and State Agency Consultation was concluding.</li> <li>Detailed Review commenced on 5<sup>th</sup> February 2025.</li> <li>The final suite of documents and other information required to undertake the LGIP review completed on the 14<sup>th</sup> February 2025 and were held by Integran Pty Ltd as part of the LGIP amendment process. The Compliance Check has been based on the “For Consultation” version.</li> <li>Discussions were held with Council Officers during the review period to discuss financial sustainability matters and State agency consultation outcomes.</li> </ul>
<b><u>Final report</u></b>	<ul style="list-style-type: none"> <li>Final report issued on 17<sup>th</sup> February 2025</li> </ul>

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

Name	Title	Date of discussion (s)	Scope of discussion
Natasha Fisher	Financial Operations Manager	5/02/2025	Discussions to identify outcomes of the review of the LGIPs alignment to the LTFF and what gaps exist between the short-term LGIP planned works and available funding sources.
Billy Glover	Strategic Planner		
Evan Fritz	Manager Strategic Planning		
Billy Glover	Strategic Planner	11/12/2024	Detailed outcomes of the State Agency consultation and Council responses.

## Compliance check findings

The LGIP has been assessed under the provisions of the *Planning Act 2016* and the *Ministers Guidelines and Rules (MGR) version 3.0* (which commenced on 22<sup>nd</sup> July 2024) .

### General

Overall, Integran’s compliance check of the draft Bundaberg Regional Council LGIP has found that the content and format of the LGIP complies with the LGIP template, LGIP checklist, and MGR.

### Compliance with MGR - State Agency Consultation (MGR Ch 5 Part 3 Section 8.3)

The MGR, supporting guidelines and practice notes require Council to consult with *any relevant state agencies responsible for infrastructure or property matters in the area and a distributor-retailer responsible for providing water and wastewater services for the area (if applicable)*. In the case of the Bundaberg Region, the relevant agencies were identified by the local Department of State Development, Infrastructure and Planning office. Each Agency consulted, together with the issues raised and Council’s corresponding responses and actions are provided in the table below.

Council commenced the consultation with each Agency on the 25<sup>th</sup> October 2024 and provided all information required under the MGR. Further, Council’s responses to any various issues raised by the Agencies are considered suitable, having regard to the nature and potential implications upon the robustness of the LGIP.

Relevant State Agency	State Agency Response	Council Response
Dept. Main Roads	Updates requested to the Desired Standards of Service for Transport to update document reference and to ensure new development also plans for internal provision of Public Transport.	Updates to the Desired Standards of Service contained within the LGIP document have been amended as requested and incorporated into the ‘for consultation’ version to be submitted to for State Review.
	The department is yet to finalise regional transport models and may make further comments during the formal state review process.	No response necessary
Queensland Govt Accommodation Office	Nil response provided	No response necessary
Department of Sport, Racing, Olympic and Paralympic Games	Nil comments provided	No response necessary
Queensland Police Service	No objection or comments	No response necessary
Energy Queensland (Ergon)	No comments on the LGIP Amendment	No response necessary
Dept Housing and Public Works	No Requirements	No response necessary

Gladstone Ports Corporation Ltd	Identified areas of the port not currently within the PIA, Projections Areas or Water Supply Network.	The inclusion of land in the PIA in the area of the port reflects approved or constructed development. For LGIP purposes, vacant Port land is not expected to be developed in the 10-15 year horizon and therefore is not identified in the PIA. It is expected any major infrastructure delivery in the area or servicing of port land ahead of that 10-15 year horizon will be undertaken by GPC. Council is happy to work with GPC in relation to any further planning for trunk infrastructure required to service future development at the Port (and the Bundaberg SDA), which can be incorporated in the LGIP as part of a future amendment / interim LGIP amendment.
	Request for consideration to be made for all Trunk Infrastructure Networks.	Preparation of the LGIP has considered the provision of trunk infrastructure for all networks as per LGIP requirements, including the land uses identified in Council's planning scheme (and other schemes/plans such as the Port of Bundaberg Land Use Plan), Council infrastructure planning, and financial sustainability, etc. Port Land is currently serviced by non-trunk water reticulation infrastructure, and (as of the infrastructure review date for this LGIP Amendment) Council's water models showed that the existing reticulation mains were sufficient to provide water to Port Land given the expected demand. In that regard, can GPC please provide future growth and demand expectations for Port Land for the next 25 years so that Council may build that into any future models?
	Request for coordination in the planning and delivery of infrastructure services upstream and adjacent to the Port Land to ensure no duplication and ensure alignments are well-considered.	No infrastructure under this LGIP Amendment is proposed adjacent or upstream of the Port. State agencies will be consulted again as part of any future LGIP Amendment and State Agency Consultation as part of that process. Council will continue to engage with GPC in relation to any infrastructure works proposed adjacent to, in the vicinity of or potentially impacting SPL.
	Infrastructure connections on the fringes of Port Land to be given further consideration as the Port of Bundaberg develops.	Development of Port Land is not anticipated within the 10-15 year horizon of this LGIP Amendment. Council is happy to work with GPC in relation to any further planning for trunk infrastructure required to service future development at the Port (and the Bundaberg SDA), which can be incorporated in the LGIP as part of a future amendment/ interim LGIP amendment.
	Specific Commentary in relation to the Development Sequencing mapping provided as part of the LGIP documentation, as it relates to the Port Lands.	The Development Sequencing Maps are produced from the BRC Population Spatial Model, and provide a visual record of the assumed timing, scale and location of development within the LGIP. We will review

		the development sequencing mapping with particular regard to specific parcels raised, however the mapping is produced on a 'mesh-block' type approach whereby the population/demand attributed to particular parcels may not accurately reflect actual outcomes/timing. Furthermore, the Development Sequencing Maps will be further reviewed, as part of any future LGIP Amendment, and/or Statutory LGIP Review which is required to occur at least every 5 years.
	Specific commentary relating to current approvals and planning scheme zones within the Port Land area.	The PIA and development sequencing maps reflect the relevant development approvals identified by GCP. In terms of the broader area and development of the Burnett Heads Harbour, no further development is anticipated within the 10-15 year horizon under this LGIP Amendment (a further review of this will likely occur as part of any future LGIP Amendment).  Council highlighted the fact that although the current Planning Scheme area designations may identify a former zone, the modelling has been based on the approved development, or that which is proposed under the Local Plan or other more detailed planning outcomes. It is these planning scheme designations that have been incorporated into the demand modelling and LGIP Planning Assumptions.
	Specific commentary relating to both Local and State Government planned infrastructure.	Council has provided responses to specific infrastructure items identified by GCP. It is noted that some of these relate to State-controlled Roads and therefore not related to the LGIP, or matters which can be resolved as part of detailed design or amendments to the LGIP in the future.
Queensland Fire Department	Nil comments provided	No response necessary
Rural Fire Service Queensland	No comment relevant to LGIP Matters	No response necessary in relation to LGIP matters
Office of the Coordinator-General	No major concerns, but notes the exclusion of the SDA from the PIA	The inclusion of land in the PIA in the Bundaberg SDA (Marina land) reflects approved or constructed development. For LGIP purposes, vacant SDA land is generally not expected to be developed/ present significant growth in the 10-15 year horizon and therefore is not identified in the PIA as part of this amendment. It is expected any new major infrastructure delivery in the area for servicing of SDA land ahead of that 10-15 year horizon will be undertaken by the State. Council is happy to work with you in relation to any further planning for trunk infrastructure

		required to service future development in the SDA, which can be incorporated in the LGIP as part of a future amendment/ interim LGIP amendment if/ where appropriate. Council would appreciate any engagement on infrastructure planning for the area, including any details on the type, scale and timing of development in the SDA, as it becomes known.
	Concerns in relation to providing infrastructure services to residential expansion zoned land in proximity to the Bundaberg Port. These concerns are being raised in third-party comments to preliminary approvals.	No changes to land use zones under the planning scheme (and LGIP) are proposed as part of this amendment. Additional trunk infrastructure proposed under this LGIP amendment is identified to service existing or future development in accordance with the current land uses for the area under the planning scheme (and/ cognisant of the SDA development scheme). Any development application for proposed residential development/ expansion will be assessed against the planning scheme and other applicable statutory requirements (including any required referrals) at that time.
	Potential errors in 'Table SC3.1.3 Planned density and demand generation rate for a trunk infrastructure network' for High Density residential zone.	The errors identified have been reviewed and resolved as part of the final 'for consultation' version to be submitted for State Review.  The errors have no impact upon the planning assumptions and were simply a typographical error in the preparation of the tables for the LGIP.

Additional agencies that were consulted with no formal response provided include:

- Queensland Education;
- Powerlink
- SunWater
- Economic Development Queensland
- Queensland Health

## Financial Sustainability Assessment and Alignment between Long-Term Planning Documents

The schedules of works in the LGIP have been compared against Bundaberg Regional Council's LTFF (new capital) to determine the extent of their alignment. This assessment found there is improved alignment between the documents from the previous LGIP, notwithstanding, there remains room for continued improvement in the alignment process on an annual basis to ensure that the variance is reviewed and managed.

Reasons for such variations can be attributed to the following:

- The determination of projects in the LGIP are generally assigned to a 5 year cohort which defaults to a single "mid-year" year whereas the LTFF might be informed by more detailed project planning showing expenditure over the life of the project.
- For example, the LGIP includes large scale infrastructure projects (such as the Rubyanna Wastewater Treatment Plant Capacity Upgrade (10-year program)), which are typically financed over a period of time, however the LGIP modelling currently identifies these investments over a single year.
- In reality the NPV modelling will assume the expenditure is spread over time however this is not explicit in the summary tables.
- Looking at the comparison tables there are significant variations in the Sewerage \$18.5M and Transport Networks \$18M where the LGIP is planning for higher levels of delivery and expenditure in those classes than that in the LTFF. This is reversed water supply where the LGIP assumes a lower level of delivery with a variance of some \$11M.
- Overall, the LGIP is assuming a higher level of expenditure of some \$28M more than the LTFF over the 10 years to the FY33/34 year. This has an impact on the financial sustainability and rate of revenue return necessary from the LGIP.

To benefit future assessments, Council has identified potential improvements to their current processes, specifically in relation to defining and identifying trunk infrastructure within the long-term planning processes.

The financial sustainability ratios produced within the SoW model for the approximately 10 and 20 year period results in a ratio of 0.46 and 0.57 respectively. For context, The IPWEA Guidelines suggest that a range between 0.9-1.0 is considered acceptable. This indicates a decline in the ability of Council to fund the required infrastructure in the forward years. These indicators require Council to ensure that additional effort is applied to the task of revenue optimisation and also to manage and refine the delivery and timing of works within the current SOW assumptions. This will ensure that proper accounting of expenditures and revenues is made to ensure just in time delivery of necessary development infrastructure,

This outcome reflects the significant expenditure Council is experiencing across the transport, wastewater and water supply networks in the capital works program.

There is headroom in the current infrastructure charges to improve the revenue flow to meet the capital expenditure. It is noted that the charges under Council's Charges Resolution are less than the maximum allowable charges under the SPRP (Adopted Charges). Council's current policy is to maintain the reduced charges in order to incentivise development, and therefore the funding shortfall for LGIP infrastructure will need to be supplemented by other revenues.

Given the nature of the works which involve upgrade and augmentation, there are also renewals funding available and the prospect of grants and subsidies to meet the costs which have been considered in the modelling to date. Continual monitoring and review of these assumptions would be prudent to ensure that the modelling reflect the reality of the financial position and delivery processes of Council. Council has indicated that revenue raising through user charges has and will continue to supplement this expenditure given the benefit of this investment across both existing and future users. There is also the high likelihood of funding from external sources in order to manage water quality outcomes which meet environmental targets and policies of the State and Federal Government.

Council has identified the following potential funding sources available to supplement infrastructure charges in the funding of the LGIP:

- Grants and subsidies from state and commonwealth governments, or other sources as available;
- Other General Revenue sources as required;
- Specific usage charges where the application of these relate to improvements to existing infrastructure (e.g. sewerage treatment upgrades).

## Conclusions

Overall the draft Bundaberg Regional Council LGIP complies with:

- The LGIP template and MGR version 3.0 requirements – in relation to the structure and content of the LGIP document including the planning and demand assumptions, priority infrastructure area, desired standards of service, plans for trunk infrastructure and schedules of work;
- MGR version 3.0 – in relation to the process for preparing the LGIP, including consultation with State Agencies under Section 8.3.

The assessment has also found that:

- Council's LTFF, LTAMP and LGIP are generally aligned in terms of the projected capital expenditure on trunk infrastructure and projected revenue from developer contributions;
- The modelling indicates that there is insufficient revenue projected to be received from current infrastructure charge rates to fund the future trunk infrastructure requirements identified in the LGIP. Council has identified supplementary funding sources as this is required.

## Recommendations

Integran Pty Ltd recommends to the Bundaberg Regional Council that the LGIP should proceed unchanged.

## Recommended conditions to be imposed

Nil