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Isaac Regional Council

**Extrinsic Material to the Local Government
Infrastructure Plan**

Revision 1.4

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Table of Contents

1.0	PLANNING ASSUMPTIONS.....	2
1.1	POPULATION.....	2
1.1.1	<i>Current Population</i>	3
1.1.2	<i>Ultimate Population</i>	3
1.1.3	<i>Interim Population Allocation</i>	5
1.2	INFRASTRUCTURE DEMAND.....	5
1.2.1	<i>Residential Demand</i>	5
1.2.2	<i>Non-Residential Demand</i>	5
1.3	EMPLOYMENT.....	7
1.3.1	<i>Current Employment</i>	7
1.3.2	<i>Future Employment</i>	7
1.3.3	<i>Floor Space Requirements</i>	8
1.4	PRIORITY INFRASTRUCTURE AREA CAPACITY.....	8
2.0	COST ASSUMPTIONS	9
2.1	BASELINE VALUATION	9
2.2	WATER SUPPLY & SEWERAGE NETWORK.....	9
2.2.1	<i>Water Supply / Sewer Asset Costs</i>	9
2.2.2	<i>Cost Modifiers</i>	10
2.3	TRANSPORT NETWORK.....	10
2.3.1	<i>Transport Asset Costs</i>	10
2.3.2	<i>Cost Modifiers</i>	11
2.4	PARKS AND LAND FOR COMMUNITY FACILITIES NETWORK.....	12
2.4.1	<i>Parks Asset Costs</i>	12
2.4.2	<i>Cost Modifiers</i>	12
3.0	NETWORK PLANNING	13
3.1	NETWORK PLANNING IN GENERAL.....	13
3.2	WATER SUPPLY NETWORK.....	13
3.3	SEWERAGE NETWORK.....	13
3.4	TRANSPORT NETWORK.....	13
3.5	PARKS AND LAND FOR COMMUNITY FACILITIES NETWORK.....	14
4.0	FINANCIAL MODELLING ASSUMPTIONS	14
4.1	MODEL INPUTS.....	14
4.2	CHARGES REVENUE.....	15

1.0 Planning Assumptions

Underpinning the Planning Assumptions of the Local Government Infrastructure Plan (LGIP) is the Isaac Regional Council (IRC) Population and Demand Model. These Geographic Information System (GIS) models have been developed using a “bottom up” approach, allowing for the spatial allocation of population and demands (residential & non-residential) across all land parcels within the Council area, from the base date of 2018 through to a realistic ultimate capacity determined for the draft Planning Scheme, being developed concurrently with the LGIP. The base assumptions and methodologies employed to develop these models and other key inputs into the Planning assumptions are detailed below.

1.1 Population

Isaac Regional Council have had an Economic and Population Review report prepared by Norling Consultants. This report provides four potential growth scenarios for the region, being:

Scenario 1 - Projections based upon the Queensland Government Statistician’s Office (QGSO) medium series projections, adjusted to account for 2015 estimated resident population figures.

Scenario 2 - Projections assume an increase in proportion of FIFO and DIDO and the corresponding consequence of using fewer resident workers, with population growth rates below 1%.

Scenario 3 - Projections are based on the assumption that carbon capture storage technologies are unviable and thermal coal production ceases by 2031. The levels of non-resident workers are projected to decline beyond 2026.

Scenario 4 - Projections assume that carbon capture storage technologies are viable ensuring the ongoing future operation of thermal coal production. The levels of non-resident workers remain unchanged.

Council has chosen to undertake population and demand modelling based on **Scenario 2**, projections under this scenario are provided for urban and rural projection areas within Isaac Regional Council through to 2036. The totals for 2041 and beyond have been extrapolated from the totals provided in the previous periods.

Council-wide non-resident worker projections are provided for Scenario 2 within the economic and population review.

For the purposes of the LGIP and AICR, the ultimate scenario of the Isaac Planning Scheme (for resident population) is considered to occur in around 2129. **Table 1** below identifies the Population and Tourist Figures used as a basis for creating the Population Spatial Model.

Table 1: Resident and Non-resident Projections (2018 to Ultimate)

	2018	2021	2026	2031	2036	Ultimate
Resident Population Projections	25,079	25,764	26,682	27,431	28,175	43,685
Non-resident Population Projections	11,698	14,650	15,150	16,100	17,500	31,847
Total Population Projections	36,777	40,414	41,832	43,531	45,675	75,532

Source: Economic and Population Review (Norling, 2016)

1.1.1 Current Population

Existing population has been allocated on a lot by lot basis to all residential landuses (obtained from Council's rates database) based on dwelling types and expected household sizes. For example, a property identified as containing a house is assigned a 2018 population of 2.74. This allocation has been aligned with the Norling Economic and Population Review and refined through comparison with the ABS 2011 Census Data. Projected average household sizes are shown in **Table 2**.

Following initial allocation of population, adjustments were made as necessary within urban and regional reporting areas to align with population totals provided in the Economic and Population review, resulting in existing household sizes which vary regionally.

Table 2: Average Household Size

Dwelling Type	2018	2021	2026	2031	2036	IRC Model 2041 to Ultimate
Separate House	2.74*	2.73	2.72	2.70	2.69	2.69
Semi, Detached, Flats	1.63*	1.63	1.62	1.61	1.60	1.60
Other	1.69*	1.68	1.68	1.67	1.65	1.65
All	2.56*	2.55	2.54	2.52	2.51	2.51

Source: IRC (Isaac Regional) Model 2017 & ABS 2011 PEP

Note: Measured as persons/occupied dwelling

* - Household size varied regionally to reflect inputs from Economic and Population Review.

1.1.2 Ultimate Population

The ultimate development potential of the Isaac Regional Council Planning Scheme was determined through analysis of the draft Planning Scheme Intents (constraints and zones / densities), consideration of approved development applications and understanding of the realistic development trends throughout the region. The constraints considered as part of this assessment included:

- Biodiversity and conservation;
- Bushfire hazards;
- Coastal hazards including storm tide and erosion prone areas;
- Key resource and mining areas;
- Flood hazards;
- Existing easements.

It is noted that the developable area as described within the Minister Guidelines and Rules is represented by the planning scheme zonings as depicted on the PIA Mapping, having consideration of any absolute and/or partial constraints described above for each land parcel.

Planning Scheme density assumptions have been developed for each zone, with consideration given to the following:

- Residential density provisions within the planning scheme for each zone type, including assumptions about dwelling composition (**Table 3**)
- Household size calculations and projections, changing over time in accordance with Table 2;
- Discussions with Council Officers and understanding the realistic development trends throughout the LGA;

- Discussions with Council Officers regarding the arrangements and limitations in relation to non-resident worker accommodation; and
- Assumptions about land requirements for roads, parks and other services, depending on the planning scheme provisions for different zones (i.e. considerations/requirements in urban vs rural zones).

Table 3: Ultimate Residential Density Assumptions

Planning Scheme Zone	Precinct/Area	Excluded Land - Services, Roads, etc.	Lot Size (m ²) – Attached*	Lot Size (m ²) – Detached*	Planned Density - Gross (Dwellings/Ha)*
Centre		30%	N/A - Unit size used to determine density	N/A - Unit size used to determine density	22.4
Centre	Moranbah	30%			33.6
Emerging Community		Varies depending on assumed underlying intent			
Low density residential		30%	400 - 450**	900	8.2
Low density residential	Moranbah	30%	400 - 450**	800	9.5
Low-medium density residential		30%	250 - 450**	500	16.6
Rural		5%		50,000,000	0.0002
Rural	Class A/B Agricultural	5%		5,000,000	0.002
Rural residential		10%		40,000	0.2
Specialised Centre		Applied on a site-by-site basis using existing and current non-resident accommodation approvals			
Township		30%		1,000	7.0

* Lot Size represents a realistic ultimate average size, based on an assessment of planning scheme provisions, market trends and preferences, and matters affecting propensity to develop.

** Varies depending on dwelling type

Residential populations were allocated across all residential Planning Areas, in accordance with the projections of the Economic and Population Review, while non-resident growth was only allocated to only those sites identified by Council in use as, or approved for, non-resident worker population. **Table 4** below provides a summary of the population found in each Planning District for the periods 2018 to Ultimate. Please note that these figures differ from those presented in the LGIP document as the document has consolidated the non-resident worker accommodation population into each projection area and excluded population outside the PIA.

This information has been used in the development of the spatial model.

Table 4: Population Projections 2018 to Ultimate

Norling Projection Areas	2018	2021	2026	2031	2036	Ultimate
Moranbah	10,562	10,951	11,435	11,761	12,077	21,164
Carmilla	417	425	446	469	492	534
St Lawrence	391	395	409	422	426	1,673
Ilbilbie	319	319	335	352	369	660
Clermont Rural	1,674	1,706	1,773	1,885	2,011	3,748
Clermont Town	2,501	2,565	2,681	2,793	2,902	3,685
Dysart	3,348	3,413	3,476	3,508	3,540	4,090
Middlemount	2,111	2,142	2,149	2,126	2,104	2,739
Nebo Town	487	515	536	556	576	976

Norling Projection Areas	2018	2021	2026	2031	2036	Ultimate
Nebo Rural	1,784	1,807	1,896	1,993	2,092	2,468
Glenden	1,486	1,526	1,546	1,566	1,586	1,948
Worker Accommodation	10,562	14,650	15,150	16,100	17,500	31,847
TOTAL	36,777	40,414	41,832	43,531	45,675	75,532

Source: IRC (Isaac Regional) Model 2017

1.1.3 Interim Population Allocation

Growth between 2018 (base year) and ultimate populations have been allocated to each 5-year cohort using a 'gravity model' approach, with populations within each projection area set to align with the Economic and Population Review. Within each projection area, consideration was given to factors affecting propensity to develop, including:

- The properties location with respect to the Priority Infrastructure Area (i.e. accommodates 10-15 years of growth); and
- Availability and proximity to infrastructure services.

1.2 Infrastructure Demand

IRC's spatial demand models express residential and non-residential demand in varying demand units. These are:

- Water Supply network - Equivalent persons (EP)
- Sewerage network - Equivalent persons (EP)
- Transport network - Trips per day (Trips)
- Parks and land for community facilities network - Persons

These units of measure have been selected as they are commonly used and easily understood by a reader of the LGIP.

1.2.1 Residential Demand

The Residential Demands have been calculated for each network in the following manner:

- Water Supply network
 - Population at each cohort = residential EP
- Sewerage network
 - Population at each cohort = residential EP
- Transport network
 - Population at each cohort divided by applicable detached household size (Table 2) to determine equivalent detached dwellings
 - Demand generation of 10 trips per equivalent detached dwelling
- Parks and land for community facilities network
 - Population at each cohort

1.2.2 Non-Residential Demand

Non-Residential Demands for the Water Supply, Sewer and Transport networks have been calculated by applying equivalent dwelling rates per hectare respectively to the developable areas available for non-residential development, derived from the population modelling process. The number of Equivalent dwellings was converted to the relevant demand units using:

- For the water supply and sewer networks - equivalent dwellings multiplied by the detached household size at each cohort (in accordance with Table 2)
- For the transport network - equivalent dwellings multiplied by the trip rate per detached dwelling identified in section 1.2.1 (10 trips per equivalent detached dwelling)

The process for determining the existing demand utilised the landuse information developed through the population modelling process and applied the generation rates presented in **Table 5** to the area of the parcel with existing demand.

Table 5: Non-Residential Demands by Zone - Water Supply, Sewerage & Transport (Roads) – Expressed as EDUs per Hectare

PLANNING SCHEME ZONE	WATER & SEWER EDUs / HA	TRANS-PORT EDUs / HA
Centre	25	50
Community Facilities	5	5
Emerging Community	0	0
Environmental Management & Conservation	0	0
Industry	15	7.5
Low Density Residential	0	0
Low-Medium Density Residential	0	0
Recreation and Open Space	0	0
Rural	0	0
Rural Residential	0	0
Special Purpose	0	0
Specialised Centre	5	5
Tourism Area (Minor)	0	0
Township	0	0

To ensure the existing non-residential demand was not overestimated (i.e. the area of the parcel does not necessarily reflect the demand that the existing land use generates), the demand model takes into account the realistic existing demands based on the size of the parcel and whether or not the existing land use is consistent with the underlying land use intent (e.g. where an industrial use is occurring on a Rural zoned land parcel, and is unlikely to be placing demand over the entire site).

Ultimate future demands are based on demand generation rates per hectare for all land in each non-residential zone presented in **Table 5**.

The future demand calculated through the above process has been trended over the 2018 to Ultimate time period cohorts based on the rate of population growth rate found in each appropriately defined “Trending District” – in other words, assumes that the growth in non-residential demand is proportional to the rate of growth of residential demand. The Trending Districts applied to each Zone/Locality are presented in **Table 6**.

Table 6: Trending District applied to Each Zone / Locality

CP ZONE	LOCALITY	TRENDING DISTRICT
Centre	Clermont	Clermont
Centre	Dysart	Dysart
Centre	Glenden	Glenden
Centre	Middlemount	Middlemount
Centre	Moranbah	Moranbah
Centre	Nebo	Nebo
Community Facilities	Clermont	Clermont
Community Facilities	Dysart	Dysart
Community Facilities	Glenden	Glenden
Community Facilities	Middlemount	Middlemount
Community Facilities	Moranbah	Moranbah
Community Facilities	Nebo	Nebo
Community Facilities	All other areas	Entire LGA
Industry	Clermont	Clermont
Industry	Dysart	Dysart
Industry	Moranbah	Moranbah
Industry	All other areas	Entire LGA
Specialised Centre	All areas	Entire LGA

1.3 Employment

The Isaac Regional Council Employment Model has been developed to provide important inputs into the LGIP, most notably the existing and future employees and future floor space requirements. The methodology for the employment modelling is detailed below.

1.3.1 Current Employment

Australian Bureau of Statistics (ABS) Census data was used to determine an existing employment profile within the Council area by employment sector for the following regions:

- Isaac Regional Council; and
- Regions aligning with the Population Study and LGIP Projection Areas

The employment profile is based on:

- Total population;
- Total current workforce;
- Total potential workforce (residents aged 15 and older);
- Residents who both live and work locally;
- Industry of employment by occupation;
 - For the purposes of the LGIP employment modelling, ABS industry of occupation has been re-categorised into 'employment sectors' in order to align with categories in the LGIP tables. Assumptions made to assign ABS employment industry into LGIP Employment Sector are detailed in **Table 7** below.

Table 7: Employment Industry Assumptions

ABS Employment Industry Category	LGIP Employment Sector	ABS Employment Industry Category	LGIP Employment Sector
Agriculture, forestry & fishing	Other	Financial & insurance services	Commercial
Mining	Other	Rental, hiring & real estate services	Commercial
Manufacturing	Industry	Professional, scientific & technical services	Commercial
Electricity, gas, water & waste services	Industry	Administrative & support services	Commercial
Construction	Industry	Public administration & safety	Community Purposes
Wholesale trade	Industry	Education & training	Community Purposes
Retail trade	Retail	Health care & social assistance	Commercial
Accommodation & food services	Commercial	Arts & recreation services	Commercial
Transport, postal & warehousing	Industry	Other services	Other
Information media & telecommunications	Commercial	Inadequately described/Not stated	Other

The following key inputs into Employment Modelling have been produced for each modelled region, using the available ABS data:

- Labour retention rate (Residents working locally ÷ total work force); and
- Job containment rate (Residents working locally ÷ local jobs available)

These attributes are identified in order to assess the employment increase as a result of growth occurring within the LGA.

1.3.2 Future Employment

The employment model assumes that labour retention, job containment, and unemployment levels are maintained throughout all projection periods.

The ratio of work force to population is used to determine employment projections in each LGIP projection area for each cohort, in each employment sector. This is applied to the population projections derived from the IRC population model. The outputs of the employment model used to inform the LGIP include:

- Total current jobs within each LGIP projection area for each employment sector; and
- Additional job requirements for growth within the LGA for each projection period, distributed amongst employment sectors in accordance with the current trends

1.3.3 Floor Space Requirements

Floor space requirements are calculated based on assumptions about floor space per employee for each employment sector. The assumed floor space requirements are detailed in **Table 8**, and have been identified based on industry knowledge and confirmed by IRC officers as both reasonable and appropriate for use in the LGIP. As with the employment figures, floor space outputs used in the LGIP assumption tables include:

- Total existing floor space requirements within each LGIP projection area for each employment sector; and
- Additional floor space requirements for growth within the LGA for each cohort, distributed mathematically amongst employment sectors within LGIP projection areas.

Table 8: Floor space assumptions by LGIP Employment Sector

LGIP Employment Sector	Floorspace (m ² /employee)
Retail	30
Commercial	30
Industry	150
Community Services	25
Other (incl. Home based business)	20

1.4 Priority Infrastructure Area Capacity

IRC's growth allocation model considers a range of factors for the distribution and take-up of available capacities across the Planning Scheme, in particular the propensity for areas to develop over time. Based on the assumptions, the modelling indicates that a population of approximately 28,950 people are realistically able to be accommodated within the PIA up until 2033 (the "PIA Period", see Table 9).

Table 9: Priority Infrastructure Area Capacity

LGIP Development Type	2018		2031		2033		2036		Ultimate	
	Population	Dwellings	Population	Dwellings	Population	Dwellings	Population	Dwellings	Population	Dwellings
Single dwelling	22,908	8,357	25,494	9,436	25,749	9,554	26,132	9,732	31,741	11,821
Multiple dwelling	1,294	794	1,440	896	1,455	908	1,476	924	1,793	1,123
Other dwelling	1,536	909	1,709	1,026	1,726	1,039	1,752	1,058	2,128	1,286
Total	25,738	10,060	28,644	11,359	28,930	11,501	29,360	11,715	35,663	14,230

The extent of urban population growth allocated within the PIA boundary (approx. 3,200) demonstrates a total remaining capacity for approximately 2,700 dwellings identified at the end of the PIA period. In assessing the PIA capacity, it is important to note the following:

- The population residing in urban areas throughout the region is heavily dispersed, with varying growth profiles and outstanding capacities remaining for each township at the end of the PIA Period;
- Given current economic conditions, ongoing uncertainty regarding future growth (as outlined in the Norling Economic and Population Review), and the region's propensity for boom-and-bust development, the economic conditions driving development could potentially change within the lifetime of this LGIP, which may require additional land for urban development purposes; and,
- Additionally, the available PIA capacity is a result of a significant amount of infill development, and therefore this capacity may not be realised within 10-15 years. These areas cannot be removed from the PIA on the basis that they are existing urban development.

On this basis, the remaining capacity at the end of the 15 year PIA period is considered appropriate.

2.0 Cost Assumptions

The LGIP has used a variety of costing methodologies where available to inform the development of costs to be used within the Schedule of Works (SoW) model, using the information deemed most accurate and appropriate, which was available at the time the LGIP was being prepared. For asset costing purposes within the SoW model, all unit rates for all assets and networks have been indexed to the base year of the model, 2018 using relevant Producer Price Indices (PPI) data from the ABS unless otherwise noted. The transport network uses the Road and Bridge Construction (RBC) PPI index for Queensland, while all other networks use the Non-residential Building and Construction (NRBC) PPI index for Queensland.

2.1 *Baseline Valuation*

Existing asset valuations within the SoW model provide an additional level of detail when compared to the standard SoW models 'baseline valuation'. The 'Base Estimate' within the IRC SoW model provides the equivalent valuation figure, however this has been built using a raw unit rate cost in addition to project owners costs (on-costs).

On costs are considered to be an essential element of the 'current replacement cost' identified within the Ministers Guidelines and Rules, relating to design/redesign, environmental considerations, traffic management and project management among other things, all necessary components of the cost to replace an asset. The Evans and Peck report referenced within the SoW model user manual identifies that many Councils already include on costs within their unit rates. Isaac Regional Council has chosen to separate these costs in order to provide additional transparency and ease of understanding within their LGIP documentation.

2.2 *Water Supply & Sewerage Network*

2.2.1 *Water Supply / Sewer Asset Costs*

Water Supply and Sewerage network asset costs are derived from a variety of sources provided by Council for the purposes of developing costs to be utilised in the LGIP. Existing and future passive assets (i.e. pipework) were costed based on unit rates prepared by Council. Existing active assets (i.e. Treatment Plants, Reservoirs, Bores and Pump Stations) were costed from asset registers maintained by Council.

Future Water Supply and Sewerage network projects listed in **Table 10** below have been project costs, based on information provided by IRC which have been adopted from Council's most recent Capital Works Planning.

Table 10: Water Supply and Sewerage networks assets utilising Project Cost assumptions

Network	Asset ID	Asset Description	Project Base Cost
Water	BRF01	Nebo – Bore Field	\$559,680
Water	BRF02	Nebo – Bore Field Upgrade	\$192,080
Water	BRF03	Nebo – Bore Field Upgrade	\$192,080
Water	BRF04	Nebo – Bore Field Upgrade	\$192,080
Water	PSF01	Nebo – Pump Station	\$0
Water	RESF01	Nebo – 2ML Reservoir	\$0
Water	RESF05	Theresa Creek Dam – Generator Upgrade	\$0
Water	WTPF01	Clermont – Generator Upgrade	\$173,350
Water	WTPF02	Nebo – New WTP	\$3,968,900
Water	WTPF03	Moranbah – Generator Upgrade	\$557,891
Water	WTPF09	Middlemount – Generator Upgrade	\$0
Sewer	PSF01	Dysart PS – New	\$694,837
Sewer	PSF03	Clermont PS – Wet Well Storage Upgrade	\$391,301
Sewer	PSF05	Clermont PS – Upgrade Backup Power	\$110,108
Sewer	PSF06	Middlemount PS – Upgrade Backup Power	\$110,108
Sewer	PSF07	Moranbah PS2 - Upgrade Backup Power	\$110,108
Sewer	PSF08	Moranbah PS15 - Upgrade Backup Power	\$110,108
Sewer	WWTPF01	Clermont STP – Emergency Generator/Telemetry Upgrades	\$128,235
Sewer	WWTPF03	Dysart STP – Sludge Drying Beds	\$821,729
Sewer	WWTPF04	Middlemount STP - Sludge Drying Beds	\$693,161
Sewer	WWTPF05	Middlemount STP – Emergency Generator/Telemetry Upgrades	\$128,235
Sewer	WWTPF06	Dysart STP - Emergency Generator/Telemetry Upgrades	\$128,235
Sewer	WWTPF07	Glenden STP - Emergency Generator/Telemetry Upgrades	\$128,235
Sewer	WWTPF08	Glenden STP - Inlet Screen	\$391,301
Sewer	WWTPF09	Nebo STP - Recycled Water Plant and Irrigation	\$251,550
Sewer	WWTPF10	Nebo STP - Upgrade	\$608,04
Sewer	WWTPF11	Clermont STP - Effluent Polishing Plant and Pipelines	\$503,100
Sewer	WWTPF12	Dysart STP - Effluent Polishing Plant	\$535,812
Sewer	WWTPF13	Middlemount STP - Effluent Polishing Plant	\$549,927
Sewer	WWTPF 14	Clermont STP - Inlet Screen	\$894,401

2.2.2 Cost Modifiers

In addition to the unit rates identified above, the cost modifiers listed in **Table 11** have also been applied as necessary to assets across the water supply and sewerage networks.

Table 11: Water and Sewerage network asset cost adjustments

Modifier	Valuation Component	Applies To	Adjustment Factor
On-Cost Allowance	Works	All existing & future assets	13%
Contingency	Works	All future assets	11.8%

2.3 Transport Network

2.3.1 Transport Asset Costs

Transport network unit rates were provided by Council for the purposes of developing costs to be utilised in the LGIP.

One future Transport network project listed in **Table 12** below was costed on the basis of existing project costs, prepared by UDP in 2013. Given changed economic conditions and based on advice from Council, these costs were not escalated up to 2016 dollars in the previous LGIP as the bridge structure could likely be delivered utilising the same costs at that time. The costs have been indexed in accordance with the indices described earlier in Section 2.0 to arrive at a 2018 value.

Table 12: Transport network assets utilising Project Cost assumptions

Asset ID	Asset Description	Project Base Cost
STF_001	Bridge - Moranbah Access Road	\$22,565,233
STF_002	Floodway - Peakvale Rd (ch 50.41)	\$17,517
STF_003	Floodway - Peakvale Rd (ch 40.38)	\$17,517
STF_004	Floodway - Peakvale Rd (ch 39.54)	\$17,517
STF_005	Floodway - Peakvale Rd (ch 37.80)	\$17,517
STF_006	Floodway - Peakvale Rd (ch 27.81)	\$17,517
STF_007	Floodway - Peakvale Rd (ch 21.61)	\$17,517
STF_008	Floodway - Peakvale Rd (ch 8.30)	\$17,517
STF_009	Floodway - Booroondarra Capella Road (ch 19.25)	\$17,517
STF_010	Floodway - Booroondarra Capella Road (ch 20.27)	\$17,517
STF_011	Floodway - Booroondarra Capella Road (ch 21.47)	\$17,517
STF_012	Floodway - Booroondarra Capella Road (ch 22.68)	\$17,517
STF_013	Floodway - Booroondarra Capella Road (ch 23.94)	\$17,517
STF_014	Floodway - Booroondarra Capella Road (ch 24.90)	\$17,517
STF_015	Floodway - Turrawulla Road (ch 50.42)	\$17,517
STF_016	Bridge - Saraji Road	\$98,195
STF_017	Culvert - Golden Mile Road	\$106,544
STF_018	Culvert - Golden Mile Road	\$106,544
PWF01	Cycleway - Capricorn Street	\$164,253
PWF02	Cycleway - Capricorn Street	\$41,156
PWF03	Cycleway - Moranbah Access Road	\$274,410
STF_001	Bridge - Moranbah Access Road	\$22,565,233
STF_002	Floodway - Peakvale Rd (ch 50.41)	\$17,517
STF_003	Floodway - Peakvale Rd (ch 40.38)	\$17,517
STF_004	Floodway - Peakvale Rd (ch 39.54)	\$17,517
STF_005	Floodway - Peakvale Rd (ch 37.80)	\$17,517
STF_006	Floodway - Peakvale Rd (ch 27.81)	\$17,517
STF_007	Floodway - Peakvale Rd (ch 21.61)	\$17,517
STF_008	Floodway - Peakvale Rd (ch 8.30)	\$17,517
STF_009	Floodway - Booroondarra Capella Road (ch 19.25)	\$17,517
STF_010	Floodway - Booroondarra Capella Road (ch 20.27)	\$17,517

2.3.2 Cost Modifiers

In addition to the unit rates identified above, the cost modifiers in **Table 13** have also been applied as necessary, to assets across the transport network.

Table 13: Asset Cost Adjustments

Modifier	Valuation Component	Applies To	Adjustment Factor
On-Cost Allowance	Works	All Structures	12%
On-Cost Allowance	Works	All existing & other future assets	15%
Contingency	Works	All Structures	15%
Contingency	Works	All other future assets	11%

2.4 Parks and Land for Community Facilities Network

2.4.1 Parks Asset Costs

Where no project costs are available, existing park embellishment costs have been established using costs for individual embellishment items. An audit of the current embellishments within existing parks was completed by IRC Officers. This complete embellishment list applies the individual item costs to determine a total embellishment value per park.

Future park embellishment costs for new Local Recreation parks have been applied using the same method, using standard embellishments comparable to the standards identified in the Desired Standards of Service and the standards of recent trunk park contributions.

Future park projects listed in **Table 15** below have been project costs, based on information provided by IRC which have been adopted from Council's most recent Capital Works Planning.

Unit rates for land have been calculated based on a park's location inside or outside a PIA, representing a higher value for land within existing or planned urban areas. Land values per m² of site area are shown in **Table 14**.

Table 14: Parks land valuation

Location	Land valuation (\$/m ²)
Moranbah PIA	\$40/m ²
All other township PIAs	\$25/m ²
Outside PIA	\$10/m ²

Table 15: Parks and land for community facilities network assets utilising Project Cost assumptions

Asset ID	Asset Description	Project Base Cost
PF18	Local Recreation – Skate Park / Ted Rolfe Oval	\$151,827
PF19	District Recreation – Clairview park	\$16,609
PF20	Sports Park – Carmila Sports Grounds	\$70,147

2.4.2 Cost Modifiers

In addition to the unit rates identified above, the cost modifiers in **Table 16** have also been applied as necessary to assets across the transport network.

Table 16: Asset Cost Adjustments

Modifier	Valuation Component	Applies To	Adjustment Factor
On-Cost Allowance	Works	All existing & future assets	20%
Contingency	Works	All future assets	25%

3.0 Network Planning

Network planning has been undertaken over an 18 year planning horizon from the base date of the LGIP (2018). It is important to note that this does not align with the ultimate development of the Planning Scheme, which based on LGIP modelling and forecasts produced by the QGSO, is currently anticipated to be achieved at or around 2129, however this may occur sooner for individual townships or if economic circumstances change.

Network planning has been prepared on a basis of various studies. Due to time and resource limitations it was not possible to undertake new modelling for all trunk networks, however existing modelling was utilised for the networks and townships where available.

The network planning horizon has been selected on the basis that it provides a rational alignment between the infrastructure planning and landuse outcomes envisaged under the draft IRC Planning Scheme. The considerations given to the planning of each network within the LGIP are as follows.

3.1 Network Planning in General

An assessment of the future growth characteristics and trends over each network's planning horizon has been performed by Council engineers and planners together with a review into existing network servicing capacity / adequacy through application of the Desired Standards of Service (DSS) identified within the LGIP. The population and demand models completed as a part of the LGIP project have been considered against Council's previously completed network planning in order to reassess its appropriateness and assist in determining where planning 'gaps' may exist that need to be addressed.

3.2 Water Supply Network

Water supply network planning has been undertaken to an 18 year planning horizon at a level of service that aligns with the DSS in the LGIP.

Future trunk infrastructure has been guided by discussions between IRC planners and engineers, review of current capital planning schedules, technical water network reporting and strategy documents, in conjunction with the recommendations identified in water network planning undertaken as part of the development of IRC's Belyando Estate scheme from 2011 to 2014.

3.3 Sewerage Network

Sewerage network planning has been undertaken to an 18 year planning horizon at a level of service that aligns with the DSS in the LGIP.

Future trunk infrastructure has been guided by discussions between IRC planners and engineers, review of current capital planning schedules, in conjunction with the recommendations identified in water network planning undertaken as part of the development of IRC's Belyando Estate scheme from 2011 to 2014.

3.4 Transport Network

The transport network planning was performed collaboratively through discussions between IRC planners and engineers and review of current capital planning schedules, in order to determine a suitable IRC road network for the LGIP that will support the existing and future needs of the region and that will meet the community outcomes envisaged by the DSS prepared and agreed to by IRC.

Transport network planning has been undertaken to an 18 year planning horizon at a level of service that aligns with the required DSS.

3.5 Parks and Land for Community Facilities Network

The Parks and Land for Community Facilities network planning was performed collaboratively through discussions between IRC planners and engineers and review of current capital planning schedules, in order to determine a suitable IRC parks and land for community facilities network for the LGIP, taking into account both land and embellishments. This will support the existing and future needs of the region and that will meet the community outcomes envisaged by the DSS prepared and agreed to by IRC up to the 18 year network planning horizon.

4.0 Financial Modelling Assumptions

4.1 Model Inputs

Financial modelling inputs for the IRC LGIP SoW model are outlined in **Table 17** below, including brief comments and justifications around the appropriateness of the inputs used.

Table 17: Financial Modelling Assumptions within the IRC LGIP SoW model.

Financial Modelling Assumptions		Inputs	Comments/Justification
Model Setup	Base Year of Model	2018	To align with the Infrastructure Planning and Demand Modelling that has been prepared for the LGIP project
	Infrastructure Planning Horizon	18	18 years for all infrastructure networks. This represents the extent to which each network has been planned and alignment of infrastructure and landuse outcomes is reached.
	Demand Unit (Unit of Measure)	EP/Trips/ Persons	EP – Water Supply / Sewerage networks Trips - Transport network Persons - Parks and Land for Community Facilities network
Financial Inputs	Discount Rates		
	Post-tax Nominal WACC to be applied to Expenses (WACC)	6.19%	Comprised of: • 2.69% - Annual average of the 10-year bond rate, taken at the base year of the LGIP; and • 3.5% - Margin
	Real Post-tax Nominal WACC to be applied to Revenues (RWACC)	3.94%	The WACC Adjusted for inflation using the Fisher Equation.
	Escalations		
	Works Escalation Rate (for discounting purposes)	2.05%	The annual 10-yearly moving average of the applicable QLD PPI (RBC) index at the base year of the LGIP, calculated using the same methodology as the State's 3-year PPI averages.
	Land Escalation Rate (for discounting purposes)	2.17%	The annual 10-yearly moving average of the Brisbane CPI index at the base year of the LGIP, calculated using the same methodology as the State's 3-year PPI averages.
	Modelled Charge Inflation Rate	2.17%	The annual 10-yearly moving average of the Brisbane CPI index at the base year of the LGIP, calculated using the same methodology as the State's 3-year PPI averages.

The LGIP SoW model has adopted a “User Pays” approach for the apportionment of infrastructure costs between the users. In addition, this calculation method also employs a discounted cashflow methodology to appropriately model the time value of money over the modelling horizon and to understand the true cost of infrastructure delivery and funding. The SoW model therefore applies the following formula in order to determine a cost per demand unit.

$$\frac{\text{Existing Infrastructure Value (\$)} + \text{NPV (Nominal) of Future Infrastructure Expenditure (\$)}}{\text{Current Demand (D)} + \text{NPV (Real) of Future Demand (D)}}$$

The Net Present Value (NPV) of future infrastructure expenditure is determined using the *Nominal WACC* (6.19%) and *Escalation Rates* (2.05%), to take into account the escalation of the

capital spend in the years forward of the base year. These rates are aligned with assumptions used in Council's Long Term Financial Forecast (LTFF).

The NPV of future demand is a proxy, used to represent future revenue from infrastructure charges. This is determined using a *Real WACC* (3.94%), which is adjusted to account for inflationary effects.

The use of these equations determines an escalating price path which is driven by the inflation rate. In this way, the contribution rate grows over time in line with other cost growth in works, land, sales and wages. The final cost schedules are presented in the LGIP SoW Model.

4.2 **Charges Revenue**

Charges Revenues have been developed using projected growth in residential dwellings and non-residential floorspace, in accordance with the charging methodologies proposed at the time of gazettal of the LGIP.

The resultant total charges revenue for growth in non-resident population has been reduced to account for the spare capacity that currently exists.

As at 2016, approximately 21,000 approved and operational worker accommodation beds were identified within the Council area, servicing approximately 10,000 non-resident workers. Approvals currently exist for an additional 10,000 worker accommodation beds that have not yet been constructed.

Given the significant spare capacity, it has been assumed that 75% of the projected growth in non-resident workers (~5,600 of 7,500 total growth to 2036) will be accommodated within existing accommodation, and this component of growth will not result in charges revenue for Council.