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Introduction and General Instructions

These Specified Area Rate – Capital Infrastructure Guidelines provide information regarding capital infrastructure assets and management processes for negotiation and approval of capital infrastructure to be funded by the City or via specified area rating funds.

A Specified Area Rate (SAR) may be imposed under Section 6.37 of the *Local Government Act 1995* for the purpose of meeting the cost of a specific work, service or facility that the Council considers has benefited or will benefit the ratepayers or residents within the proposed Specified Area or that they have contributed or will contribute to the need for that work, service or facility.

For the purposes of the guidelines, ratepayers or residents of an approved SAR that are represented by an association will be referred to as, "the approved incorporated body" throughout this document.

Any capital infrastructure requests will be considered in accordance with the City's Specified Area Rating Policy.

Guidelines

For the purpose of this document capital infrastructure is determined as any physical asset that generally depreciates in value over a period of time. These items can be new, upgraded or replacement assets installed in parks and public open spaces.

The City's revised Parks and Public Open Spaces Classification Framework (PPOSCF) has been adopted as a management guideline to assist in the planning and provision of park and public open space assets. The PPOSCF outlines the classification of all parks within the City of Joondalup and determines the type of infrastructure supported within each classification.

Its purpose is to achieve transparent decision-making that is based on strategic and sustainable planning principles.

Capital Infrastructure Requests

The City's Five Year Capital Works Program has been developed to meet anticipated community infrastructure needs and the future development of the City with the strategic direction for the Program provided by the 20 Year Strategic Financial Plan and the Joondalup 2022 Strategic Community Plan.

Council only approves construction for those projects listed in the first year of the Five Year Capital Works Program. All projects detailed in the consecutive years are subject to the annual budget approval process. Information detailed in the Program includes a description of the project, location, revenue source and the budget amount.

The approved incorporated body of a SAR area have the opportunity to apply for capital infrastructure to be considered by the City via two methods:

1. Municipal Funding - Standard Rates

As part of the current annual budgeting process, the approved incorporated body are provided the current Five Year Capital Works Program and given the opportunity to submit capital works projects for consideration by the City. Proposals are accepted until October of the current financial year.

The City will provide feedback to the approved incorporated body regarding the City's support for proposed projects in March of each year.

If the item is supported it will be included in the draft Five Year Capital Works Program which is subject to change until the budget is formally adopted by Council in June.

Note: The Five Year Capital Works Program is subject to review by the City on an annual basis.

2. SAR Funding - Specified Area Rate Income

Where items are not proposed to be listed for municipal funding within the City's Five Year Capital Works Program the approved incorporated body can consider for it to be funded from the SAR, if the proposed capital assets are supported by the City.

Each proposed capital asset request will be negotiated between the City and the approved incorporated body representatives between the months of September and October and approved through the SAR annual Service Review process each year.

Once the items are approved in the annual Service Review they will be included in the draft Five Year Capital Works Program with the income source being funded from the SAR. As the SAR income will match the anticipated expenditure there is no impact on the municipal funded projects.

The draft Five Year Capital Works Program is subject to change, until formally adopted by Council in June.

Why would an approved incorporated body pay for capital infrastructure to be installed?

The main reasons an approved incorporated body would request for the SAR to fund capital infrastructure items include:

- The item is not deemed a priority for the next financial year or listed in the City's Five Year Capital Works
 Program following consideration by the City, resulting in the approved incorporated body requesting for the item to be installed sooner.
- The approved incorporated body require an asset installed that is of an enhanced standard, above the standard asset the City would normally install.
- The approved incorporated body require an item that would not be supported as the existing quantity of assets at a location is deemed sufficient.

Capital Asset Types

The following is a list of asset types the City will consider to be installed in parks or public open space:

- Path network
- Play equipment
- Seating (benches)
- Picnic structures
- Security lighting
- Signage

- Bin surrounds
- Barbeques
- Drinking fountains
- Sports infrastructure
- Fencing/bollards
- Hard landscaping

The following is a list of asset types the City will not consider to be installed in parks or public open space via SAR funding:

- Irrigation
- Sports floodlighting
- Waste bins
- Water body aerators
- Closed-circuit television (CCTV)
- Fitness equipment
- Buildings/toilets

Evaluation of capital infrastructure requests

The following factors will be taken into consideration when the City evaluates a request to install a proposed capital asset:

- Whole of life cost
- Value for money
- Suitability for the proposed location
- Impact on public safety
- Sustainability of the proposed asset
- Parks and Public Open Spaces Classification Framework

By appropriately classifying parks and public open spaces, the City is able to determine where assets should be allocated according to the function, size, geography and catchment of an area. This ensures the community has access to quality park infrastructure that reflects their needs now and into the future. It also enables assets to be managed into the long-term, taking into account the costs associated with renewing and maintaining park infrastructure to a high standard.

Funding and associated costs (including replacement/removal)

All funding that is required to be collected for capital asset infrastructure will be itemised in the annual Service Review and collected through the SAR.

A design service is provided to the approved incorporated body for the development of specific projects. The service provided ranges from an advisory role through to development of proposals and preparation of design concepts and cost and detailed documentation.

Where detailed design services are required for a delivery of a project all associated costs will be allocated to the project.

Funds collected for a specific purpose can only be used for that project. Any residual funds collected for a specific capital infrastructure item must be utilised to offset the following year's charges if applicable and not held in a SAR reserve account.

Partial contributions

Funds may be collected to partially cover the cost of an infrastructure item if supported by the City. Where an item is listed in the Five Year Capital Works Program funds could be collected to increase the scope of works subject to support from the City and approval from Council.

Maintenance/vandalism

All infrastructure items installed through SAR income become the property of the City with ongoing maintenance costs recovered through the annual SAR agreements.

Replacement/removal

Should an item be installed via SAR income all associated costs relating to the asset including disposal, reinstatement, renewal and installation would be recovered from the relevant SAR.

These funds and the agreed lifespan of the asset are negotiated as part of the approval processes and incorporated into the Service Review documentation between the approved incorporated body and the City.

Approval Process

- The City discusses with the approved incorporated body any expectations regarding requirements for the installation of capital infrastructure assets covered by the SAR funding.
- 2. The City researches the proposed capital infrastructure asset/s requested. Whole of life cost will be evaluated by the City and provided to the approved incorporated body for consideration.
- The annual Service Review documents are presented to the approved incorporated body for consideration for the following financial year. The Service Review document will detail all works or services proposed and capital infrastructure assets as separate line costs.

Note: The Service Review document will confirm the approved incorporated body's liability for all associated costs to remove or renew the asset at the end of its useful life. The anticipated lifespan of the asset will be confirmed in the Service Review, with a line item being added to all future annual Service Reviews detailing the renewal cost.

- 4. The annual Service Review document is approved by the approved incorporated body's authorised representative and returned to the City and is subject to approval by the City's Chief Executive Officer.
- 5. The items are included in the draft Five Year Capital Works Program and progresses through the annual budgeting process for approval by Council.
- Should any capital infrastructure assets not be approved by Council a revised costing schedule will be issued by the City and attached to the approved annual Service Review document.

Further information

For further information about these guidelines, please call Infrastructure Services Customer Relations on **9400 4255** or email **info@joondalup.wa.gov.au**





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