Economic Development Queensland



Infrastructure Funding Framework



July 2015

Queensland Government

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Economic Development Queensland Infrastructure Charges

In accordance with sections 10 and 115 of the *Economic Development Act 2012*, the MEDQ may fix charges and other terms for the provision of infrastructure in priority development areas (PDA).

The aim of the Infrastructure Funding Framework is to establish a funding framework that:

- encourages development;
- maintains affordability for the end consumer, community, State and Council;
- ensures new development in the PDAs fairly contributes towards the cost of providing the infrastructure required to service the PDAs; and
- provides landowners with certainty about future infrastructure charges.

Appendix 1 sets out the infrastructure charging framework for each PDA.

Appendix 2 is the infrastructure charging framework currently adopted for Brisbane PDAs.

Appendix 3 is the approved infrastructure charging framework for the greenfield PDAs of Caloundra South, Ripley Valley, Greater Flagstone and Yarrabilba. These charges will apply in the absence of an infrastructure agreement or conditions of approval.

The Infrastructure Funding Framework should be read in conjunction with:

- the interim land use plan or development scheme and in particular the infrastructure plan, for the PDA
- the Infrastructure Funding Framework, Crediting and Offset Arrangements (IFFCOA) (for greenfield PDAs only)
- any applicable Infrastructure Charging Offset Plan (ICOP) for the PDA.

Appendix 1 - Infrastructure Charges in Priority Development Areas

PDA	Basis for charge within PDA
Bowen Hills, Brisbane	Infrastructure framework (for current charges – refer Appendix 2)
Northshore Hamilton, Brisbane	Infrastructure framework (for current charges – refer Appendix 2)
Fitzgibbon, Brisbane	Infrastructure framework (for current charges – refer Appendix 2)
Woolloongabba, Brisbane	Based on Council's applicable charging document for the area as at the date of the relevant PDA development approval.
Greenfield PDA's: Yarrabilba, Greater Flagstone, Ripley Valley and Caloundra South.	• Infrastructure framework approved (including value capture and a special infrastructure levy). Refer to Appendix 3 for charges
Other PDAs	The charges are those identified in the relevant local government's applicable infrastructure charging document for the area as at the date of the relevant PDA development approval.

Appendix 2 - Infrastructure Charging Framework for Bowen Hills, Northshore Hamilton and Fitzgibbon Priority Development Areas

General Infrastructure and Value uplift charges

General infrastructure charge
(applies to total GFA)

Bowen Hills and Northshore Hamilton			
Residential (per dwelling unit)	**Small**[1.]	**Medium** [1.]	**Large**[1.]
	$13,151	$18,358	$30,389
Retail (per 100m^{2}GFA)	$15,753		
Commercial (per 100m^2 GFA) which includes Visitor Accommodation	$15,753		
Industry (heavy)	$76 per m^2 of GFA plus $11 per impervious m^2 for stormwater		
Industry (other than heavy**)**	$54per m^2 of GFA plus $11 per impervious m^2 for stormwater		
For all other uses	The applicable charge is that identified in Brisbane City Council's applicable charging document		

Notes:

1. Small < 60m^2 GFA, Medium = 60m^2 GFA to 100m^2 GFA, Large > 100m^2 GFA

Fitzgibbon Chase				
Dwelling Type	**Detached Dwelling**	**Dwelling Unit**		
		Small[1.]	**Medium**[1.]	**Large**[1.]
Residential uses	$19,307	$8,806	$12,282	$20,217
Reconfiguration of a Lot	$19,307 per lot			
Retail (per 100m^2 GFA)	$15,753			
Commercial (per 100m^2 GFA)	$15,753			
Industry (heavy)	$76 per m^2 of GFA plus $11 per impervious m^2 for stormwater			
Industry (other than heavy)	$54per m^2 of GFA plus $11 per impervious m^2 for stormwater			
For all other uses	The applicable charge is that identified in Brisbane City Council's applicable charging document			

Notes:

1. Small < 60m^2 GFA, Medium = 60m^2 GFA to 100m^2 GFA, Large > 100m^2 GFA

Value uplift component*

(applies only to GFA exceeding City Plan 2000[1])

Bowen Hills and Northshore Hamilton			
Residential (per average dwelling unit)	**Small**[2.]	**Medium**[2.]	**Large**[2.]
	$12,650	$18,977	$33,736
Retail (per 100m^{2}GFA)	$23,810		
Commercial (per 100m^{2}GFA)	$23,810		

Notes:
1. Subject to transitional provisions and crediting arrangements
2. Small < 60m^2 GFA, Medium = 60m^2 GFA to 100m^2 GFA, Large > 100m^2 GFA

* Note – For residential development, offsets are available for up to 30% of the value uplift charge for achieving affordable housing for a diverse variety of households including a mix of product in terms of size, configuration, cost, location and tenure.

An applicant may also receive an offset for up to 20% of the value uplift charge for delivering ecologically sustainable development (ESD) outcomes.

For commercial or retail development, offsets are available for up to 50% of the value uplift charge for delivering ESD outcomes.

A value uplift offset for affordable housing and ESD will not be provided where affordable housing and ESD is provided as part of a Superior Design Outcome. Further information is available on request.

Infrastructure and value uplift charges

Scenarios for Bowen Hills and Northshore Hamilton projects

Scenario 1

The plot ratio of the project does not exceed City Plan, or exceeds City Plan but the transitional provisions apply.

Development Type		
Dwelling - Small (<60m^{2}GFA)	General Infrastructure charge [1]	$13,151
	Value Uplift charge [2]	$0
Dwelling - Medium (60m^2 to 100 m^{2}GFA)	General Infrastructure charge [1]	$18,358
	Value Uplift charge [2]	$0
Dwelling - Large (>100 m^{2}GFA)	General Infrastructure charge [1]	$30,389
	Value Uplift charge [2]	$0
Retail (per 100 m^{2}GFA)	General Infrastructure charge [1]	$15,753
	Value Uplift charge [2]	$0
Commercial (per 100 m^{2}GFA)	General Infrastructure charge [1]	$15,753
	Value Uplift charge [2]	$0

Notes:

1. Applies to all GFA or dwellings in the project.
2. Applies to only the GFA or dwellings in excess of City Plan plot ratio or yield. This charge is in addition to the general infrastructure charge.

Scenario 2

The plot ratio of the project exceeds City Plan and the affordable housing and sustainable development measures are not provided meaning that **no credit applies** to these components of the value uplift charge.

Development Type		
Dwelling - Small (<60m^{2}GFA)	General Infrastructure charge [1]	$13,151
	Value Uplift charge [2]	$12,650
Dwelling - Medium (60m^2 to 100 m^{2}GFA)	General Infrastructure charge [1]	$18,358
	Value Uplift charge [2]	$18,977
Dwelling - Large (>100 m^{2}GFA)	General Infrastructure charge [1]	$30,389
	Value Uplift charge [2]	$33,736
Retail (per 100 m^{2}GFA)	General Infrastructure charge [1]	$15,753
	Value Uplift charge [2]	$23,810
Commercial (per 100 m^{2}GFA)	General Infrastructure charge [1]	$15,753
	Value Uplift charge [2]	$23,810

Scenario 3
The plot ratio of the project exceeds City Plan and the affordable housing and sustainable development measures are provided meaning that **a full credit applies** to these components of the value uplift charge.

Development Type		
Dwelling - Small (<60m^{2}GFA)	General Infrastructure charge [1]	$13,151
	Value Uplift charge[2]	$6,326
Dwelling - Medium (60m^2 to 100 m^{2}GFA)	General Infrastructure charge [1]	$18,358
	Value Uplift charge[2]	$9,490
Dwelling - Large (>100 m^{2}GFA)	General Infrastructure charge [1]	$30,389
	Value Uplift charge[2]	$16,868
Retail (per 100 m^{2}GFA)	General Infrastructure charge [1]	$15,753
	Value Uplift charge[2]	$11,906
Commercial (per 100 m^{2}GFA)	General Infrastructure charge [1]	$15,753
	Value Uplift charge[2]	$11,906

Appendix 3 - Approved Infrastructure Charging Framework for greenfield Priority Development Areas

EDQ Infrastructure Charges 2015/2016

Charges apply in the absence of any infrastructure agreement or conditions of approval.

Local Charge

Reconfiguring a Lot

The Local Charge and Value Capture Charges for those PDA development applications for the reconfiguration of a lot where the application is not accompanied with an MCU application or Plan of Development are as follows:

For all PDAs		
	Local Charge	**Value Capture Charge**
Greater Flagstone and Yarrabilba	$30,027 per lot	$8,462 per lot[1]
Ripley Valley	$30,572 per lot	N/A
Caloundra South	$30,026 per lot	N/A

1. Where applicable, refer to the Value Capture Charge at page 16

Reconfiguring a Lot with a POD and/or Material Change of Use

The Local Charge for those PDA development applications for the reconfiguration of a lot with a Plan of Development and/or a material change of use, is as follows:

RESIDENTIAL USE – HOUSE

Greater Flagstone and Yarrabilba	
Residential (per lot)	
Municipal Charge	$21,342
State Charge	$1,316
Implementation Charge	$1,692
Sub-regional Charge	$5,677
Total	**$30,027**
Catalyst Infrastructure Charge[1]	
Per residential lot: Greater Flagstone PDA	$5,460

1. This charge is a component of the Municipal Charge.

Ripley Valley	
Residential (per lot)	
Municipal Charge	$20,284
State Charge	$2,098
Implementation Charge	$1,128
Sub-regional Charge	$7,062
Total	**$30,572**
Catalyst Infrastructure Charge[1]	
Per residential lot	$5,460

1. This charge is a component of the Municipal Charge.

Caloundra South	
Residential (per lot)	
Municipal Charge	$19,422
State Charge	$2,346
Implementation Charge	$1,707
Sub-regional Charge	$6,551
Total	**$30,026**

Local Charge – Staged payment

For residential uses (other than a house) and non-residential uses, the Local Charge is paid in two parts:

Part A, the initial charge, recognises that the number and size of the dwelling units (for residential uses) or gross floor area (for non-residential uses) may not be known at the plan sealing stage.

Part B, is a subsequent payment where further detail regarding the size of the dwelling units and gross floor area is known.

Where a Part B payment is made, a credit will be given for the Part A payment previously made. The credit will be indexed to the date the Part B payment is made.

RESIDENTIAL USE – OTHER THAN A HOUSE

Greater Flagstone and Yarrabilba			
PART A CHARGE			
Residential (per lot)			
Municipal Charge	$21,342		
State Charge	$1,316		
Implementation Charge	$1,692		
Sub-regional Charge	$5,677		
Total	**$30,027**		
PART B CHARGE			
Residential (per dwelling unit)	**Small[1]**	**Medium[1]**	**Large[1]**
Municipal Charge	$13,877	$17,705	$21,342
State Charge	$855	$1,091	$1,316
Implementation Charge	$1,099	$1,403	$1,692
Sub-regional Charge	$3,276	$4,368	$5,677
Total	**$19,107**	**$24,567**	**$30,027**
Catalyst Infrastructure Charge[2]			
Per residential lot/dwelling: Greater Flagstone PDA	$5,460		

Notes:
1. Small < 60sqm GFA, Medium = 60sqm to 100sqm GFA, Large > 100sqm GFA
2. This charge is a component of the Municipal Charge.

Ripley Valley			
PART A CHARGE			
Residential (per lot)			
Municipal Charge	$20,284		
State Charge	$2,098		
Implementation Charge	$1,128		
Sub-regional Charge	$7,062		
Total	**$30,572**		
PART B CHARGE			
Residential (per dwelling unit)	**Small[1]**	**Medium[1]**	**Large[1]**
Municipal Charge	$13,041	$16,663	$20,284
State Charge	$1,349	$1,723	$2,098
Implementation Charge	$725	$926	$1,128
Sub-regional Charge	$4,540	$5,801	$7,062
Total	**$19,655**	**$25,113**	**$30,572**
Catalyst Infrastructure Charge[2]			
Per residential lot/dwelling	$5,460		

Notes:
1. Small < 60sqm GFA, Medium = 60sqm to 100sqm GFA, Large > 100sqm GFA
2. This charge is a component of the Municipal Charge.

Caloundra South			
PART A CHARGE			
Residential (per dwelling/lot)			
Municipal Charge	$19,422		
State Charge	$2,346		
Implementation Charge	$1,707		
Sub-regional Charge	$6,551		
Total	**$30,026**		
PART B CHARGE			
Residential (per dwelling unit)	**Small[1]**	**Medium[1]**	**Large[1]**
Municipal Charge	$11,743	$15,356	$19,422
State Charge	$1,418	$1,855	$2,346
Implementation Charge	$1,033	$1,351	$1,707
Sub-regional Charge	$4,913	$6,005	$6,551
Total	**$19,107**	**$24,567**	**$30,026**

Notes:
1. Small < 60sqm GFA, Medium = 60sqm to 100sqm GFA, Large> 100sqm GFA

Non-residential Municipal Charges for all greenfield PDAs		
Land Use Category	**Part A Charge (per lot)**	**Part B Charge (per sqm of GFA)**
Retail		
Bulk Landscape Supplies	$5,366	$152
Fast Food Premises	$5,366	$196
Food Premises	$5,366	$196
Garden Centre	$5,366	$152
Market	$nil	$nil
Outdoor sales	$5,366	$152
Service Station	$5,366	$196
Shop	$5,366	$196
Shopping Centre	$26,827	$196
Showroom	$5,366	$152
Commercial		
Business	$5,366	$152
Car Park	To be determined by EDQ at the time of assessment	
Health Care Services	$5,366	$152
Sales Office – on a residential lot	As per “Residential uses – other than a house”	
Industrial (excluding Greater Flagstone (North Maclean))		
Extractive Industry/High Impact, Noxious and Hazardous industry	To be determined by EDQ at the time of assessment	
Low Impact and Medium Impact Industry	$5,366	$55
Research and Technology	$5,366	$55
Service Industry	$5,366	$196
Warehouse	$5,366	$55
Rural		
Agriculture	$nil	$nil
Agricultural Supply Store	$5,366	$55
Animal Keeping and Husbandry	To be determined by EDQ at the time of assessment	
Intensive Animal Industry	$5,366	$22
Intensive Horticulture	$5,366	$22

Non-residential Municipal Charges for all greenfield PDAs		
Land Use Category	**Part A Charge (per lot)**	**Part B Charge (per sqm of GFA)**
Retail		
Wholesale Nursery	$5,366	$22
Service, Community and Other Uses		
Cemetery	$nil	$nil
Child Care Centre	$5,366	$152
Community Facility	$5,366	$76
Crematorium	To be determined by EDQ at the time of assessment	
Educational Establishment	$26,827	$152
Emergency Services	$5,366	$152
Funeral Parlour	$5,366	$76
Hospital	$26,827	$152
Place of Assembly	$5,366	$76
Telecommunications Facility	$nil	$nil
Utility installation	$nil	$nil
Veterinary Hospital	$5,366	$152
Sport, Recreation and Entertainment		
Indoor Entertainment	$10,731	$218
Indoor Sport and Recreation	$10,731	$218
Outdoor Sport and Recreation	To be determined by EDQ at the time of assessment	
Park	$nil	
Tourism		
Tourist Attraction	To be determined by EDQ at the time of assessment	
Tourist Park	To be determined by EDQ at the time of assessment	
Undefined Uses	To be determined by EDQ at the time of assessment	
Industrial Uses		
All uses in the Industrial Use category (Greater Flagstone (North Maclean))	$5,366	$120

Non Residential Sub-Regional Charge for all greenfield PDAs		
PDA	**Part A Charge (per lot)**	**Part B Charge[1] (Calculated as a percentage of the Part B Charge for Non-residential Municipal Charges for the applicable Land Use as set out above) (per sqm of GFA)**
Ripley Valley	$2,146	25.7%[1]
Greater Flagstone (excluding industrial uses in North Maclean) and Yarrabilba	$2,146	24.4%[1]
Greater Flagstone (North Maclean) All uses in the Industrial Use category	$4,293	$55
Caloundra South	$2,146	27.3%[1]

Value Capture Charge[1]

Greater Flagstone and Yarrabilba			
Residential Use - House			
Residential (per dwelling lot)	$8,462		
Residential Uses – Other than a house			
Part A Charge	$8,462		
Part B Charge Residential (per dwelling unit)	**Small[2]**	**Medium[2]**	**Large[2]**
	$4,913	$7,370	$8,462

Non-residential Uses	**Part A Charge (per lot)**	**Part B Charge (per sqm GFA)**
All uses in the Retail Use category	$2,146	$33
All uses in the Commercial Use category	$2,146	$33
All uses in the Industrial Use category	$2,146	$22
All uses in the Rural Use category	To be determined by EDQ at the time of assessment	
All uses in the Services, Community and Other Uses category	To be determined by EDQ at the time of assessment	
All uses in the Sport, Recreation and Entertainment Use category	To be determined by EDQ at the time of assessment	
All uses in the Tourism Use category	To be determined by EDQ at the time of assessment	
Undefined Uses	To be determined by EDQ at the time of assessment	

Notes:
1. The Value Capture Charge only applies to land outside the urban footprint as shown in the South East Queensland Regional Plan 2009 - 2031
2. Small < 60m^{2}GFA, Medium = 60m^2 GFA to 100m^2 GFA, Large > 100m^2 GFA

Special Infrastructure Levy[2]

PDA	Column 1 Levy (per annum) Residential Uses	Column 2 Levy (per annum) Non-Residential Uses[3]
Ripley Valley[1]	$110 per lot	7.5%
Greater Flagstone and Yarrabilba	$221 per lot	34%
Caloundra South	$431 per lot	43%

Notes:

1. Maximum charge if required
2. For a period of 30 years from the creation of a new lot pursuant to a PDA development approval.
3. Calculated as follows: Site Value (as defined by the *Land Valuation Act 2010)* x Local Government's "cents in the $ per annum" adopted for the general rate by the Local Government x the percentage in column 2

Appendix 4 – Timing for payment of Infrastructure Charges and Indexation

Timing for payment of Infrastructure Charges

Unless a PDA condition provides to the contrary, for the following types of PDA development approvals the timing for the payment of infrastructure charges is as follows:

Material Change of use	The earlier of the following: 1. Prior to the endorsement of a building format plan; 2. Prior to the commencement of use.
Material Change of use (with a Plan of Development)	The earlier of the following: 1. Prior to the endorsement of plans/supporting information against the approved Plan of Development; 2. Prior to the endorsement of a building format plan; 3. Prior to the commencement of use.
Reconfiguration of a lot	Prior to the endorsement of the plan of subdivision
Reconfiguration of a lot (with a Plan of Development)	The earlier of the following: 1. Prior to the endorsement of the plans/supporting information against the approved Plan of Development; 2. Prior to the endorsement of the plan of subdivision.

For those PDAs, other than Brisbane PDAs or Greenfield PDAs, prior to payment the applicant is required to submit to the MEDQ written confirmation from the relevant local government of the amount of the infrastructure charges payable. The MEDQ will determine any applicable offsets in accordance with the Infrastructure Funding Framework, Crediting and Offsets Arrangements.

Indexation and Updating of Charges and the Special Infrastructure Levy

The infrastructure charges for greenfield and Brisbane PDAs will be indexed annually on the 1st of July in accordance with the following formula:

$$A \times (1 + B)$$

Where:

A is the infrastructure charge immediately prior to the calculation (ie the infrastructure charge for the previous financial year)

B is the annual rate of the 3 year rolling average of the Queensland Roads and Bridges Construction Index (Index No 3101 as published by the Australian Bureau of Statistics)(expressed as a percentage to four (4) decimal places) calculated from that March which is three (3) years prior to the first March in the current financial year, to the first March in the current financial year.

$$B = (1 + x)^{1/n} - 1$$

Where:

n= 3 years

x = [(first March in the current financial year – March which is three (3) years prior to the first March in the current financial year)/ March which is three (3) years prior to the first March in the current financial year]

Below is an example of how to calculate indexation (B) for an adjustment on 1 July 2013:
March 2013 index is 104.1
March 2010 index is 96.4
So, x = [(104.1 – 96.4)/96.4] = 7.9876%

Therefore the annual rate of the 3 year rolling average is:
$B = (1 + 7.9876\%)^{1/3} - 1$
B = 2.5946%

For the remaining PDAs, those infrastructure charges will be indexed in accordance with the local government's adopted infrastructure charges resolution.

An infrastructure charge conditioned in a PDA development approval will be increased in accordance with the applicable rates as at the date of payment.

The special infrastructure levy will also be indexed in accordance with the formula.

Indexation of Land Values

The land values identified in the relevant ICOP will be indexed annually on the 1st of July using the same formula for the indexation of infrastructure charges.

The land value will be independently reviewed and updated at every charging and offsetting review.

Review of Charges and Offsets

To ensure the charging and offset frameworks for the greenfield PDAs remain relevant, the infrastructure charges will be initially reviewed by the MEDQ by December 2014, and subsequently every 5 years.

Understanding that the delivery of affordable land to the market is a key outcome, the aim of the review is to ensure that the charges still cover construction costs for the sub regional infrastructure as identified in this document. It is understood that some key infrastructure networks may vary to provide better efficiency in infrastructure delivery. However, it is anticipated that the overall scope of the network will not increase and charges may increase only due to construction cost increases.

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