Economic Development Queensland



Infrastructure Funding Framework

1 July 2016





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Economic Development Queensland infrastructure charges

In accordance with sections 10 and 115 of the *Economic Development Act 2012*, the Minister of Economic Development Queensland (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
- 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 the Brisbane PDAs of Bowen Hills, Northshore Hamilton and Fitzgibbon.

Appendix 3 is the approved infrastructure charging framework for the greenfield PDAs of Greater Flagstone, Yarrabilba, Ripley Valley and Caloundra South.

Appendix 4 prescribes when infrastructure charges are due to be paid, depending on the type of PDA development approval. This section also provides an explanation of how charges are indexed, indexation and review of Infrastructure Charging Offset Plan (ICOP) land values, and review of the Infrastructure Funding Framework, Crediting and Offset Arrangements (IFFCOA).

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 IFFCOA, for greenfield PDAs only
- any applicable ICOP for the PDA.

Appendix 1 – Infrastructure charges in priority development areas

PDA	Basis for charge within PDA
Bowen Hills, Brisbane	Infrastructure funding framework (for current charges refer to Appendix 2).
Northshore Hamilton, Brisbane	Infrastructure funding framework (for current charges refer to Appendix 2).
Fitzgibbon, Brisbane	Infrastructure funding framework (for current charges refer to Appendix 2).
Woolloongabba, Brisbane	The charges will be based on Brisbane City Council's applicable charging document for the area, in force as at the date of the relevant PDA development approval.
Greenfield PDAs: Greater Flagstone, Logan Yarrabilba, Logan Ripley Valley, Ipswich Caloundra South, Sunshine Coast	Infrastructure funding framework (for current charges refer to Appendix 3).
Oonoonba, Townsville	The charges will be based on Townsville City Council's applicable charging document for the area, in force at the time the PDA was declared. The charges will be indexed each year by the five year rolling average of the Queensland Roads and Bridges Index, unless otherwise specified in the relevant PDA development approval.
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 component

(applies to total GFA)

Bowen Hills and Northshore Hamilton			
Decidential (non-develling conth)	Small ⁱ	Medium ⁱ	Large ⁱ
Residential (per dwelling unit)	\$13,281	\$18,539	\$30,687
Retail (per 100m ² GFA)	\$15,908		
Commercial (per 100m ² GFA) which includes visitor accommodation	\$15,908		
Industry (heavy)	\$76 per m ² of GFA plus \$11 per impervious m ² for stormwater.		
Industry (other than heavy)	\$54 per m ² of GFA plus \$11 per impervious m ² for stormwater.		

Fitzgibbon Chase				
	Detached	Dwelling unit		
Residential (per dwelling)	dwelling	Small ⁱ	Medium ⁱ	Large ⁱ
	\$19,497	\$8892	\$12,402	\$20,416
Reconfiguration of a lot (per lot)	\$19,497			
Retail (per 100m ² GFA)	\$15,908			
Commercial (per 100m² GFA) which includes visitor accommodation	\$15,908			
Industry (heavy)	\$76 per m² of GFA plus \$11 per impervious m² for stormwater.			
Industry (other than heavy)	\$54 per m ² of GFA plus \$11 per impervious m ² for stormwater.			
All other uses	The applicable charge is that identified in Brisbane City Council's applicable charging document.			

ⁱ Small < 60m² GFA, Medium = 60m² GFA to 100m² GFA, Large > 100m² GFA.

Value uplift component

(Applies only to GFA exceeding City Plan 2000ⁱⁱ)

For residential development, offsets are available for up to 30 per cent of the value uplift charge for achieving affordable housing for a diverse range 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 per cent of the value uplift charge for delivering ecologically sustainable development (ESD) outcomes.

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

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

Bowen Hills and Northshore Hamilton			
Residential (per dwelling unit)	Small ⁱⁱⁱ	Medium ⁱⁱⁱ	Large ⁱⁱⁱ
	\$12,775	\$19,164	\$34,067
Retail (per 100m ² GFA)	\$24,045	•	
Commercial (per 100m² re GFA) which includes visitor accommodation	\$24,045		

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ii Subject to transitional provisions and crediting arrangements.

Small < 60m² GFA, Medium = 60m² GFA to 100m² GFA, Large > 100m² GFA.

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 -	General infrastructure charge ^v	\$13,281
small ^{iv}	Value uplift charge ^{vi}	\$0
Dwelling -	General infrastructure charge ^v	\$18,539
medium ^{iv}	Value uplift charge ^{vi}	\$0
Dwelling -	General infrastructure charge ^v	\$30,687
large ^{iv}	Value uplift charge ^{vi}	\$0
Retail (per 100m²	General infrastructure charge ^v	\$15,908
ĞFA)	Value uplift charge ^{vi}	\$0
Commercial (per 100m ²	General infrastructure charge ^v	\$15,908
ĞFA)	Value uplift charge ^{vi}	\$0

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 -	General infrastructure charge ^v	\$13,281
small ^{iv}	Value uplift charge ^{vi}	\$12,775
Dwelling -	General infrastructure charge ^v	\$18,539
medium ^{iv}	Value uplift charge ^{vi}	\$19,164
Dwelling -	General infrastructure charge ^v	\$30,687
large ^{iv}	Value uplift charge ^{vi}	\$34,067
Retail (per 100m²	General infrastructure charge ^v	\$15,908
ĞFA)	Value uplift charge ^{vi}	\$24,045
Commercial (per 100m ²	General infrastructure charge ^v	\$15,908
ĞFA)	Value uplift charge ^{vi}	\$24,045

^{iv} Small < 60m² GFA, Medium = 60m² GFA to 100m² GFA, Large > 100m² GFA. Applies to all GFA or dwellings in the project.

vi 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 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 -	General infrastructure charge ^{viii}	\$13,281
small ^{vii}	Value uplift charge ^{ix}	\$6387
Dwelling - medium ^{vii}	General infrastructure charge ^{viii}	\$18,539
medium	Value uplift charge ^{ix}	\$9582
Dwelling -	General infrastructure charge ^{viii}	\$30,687
large ^{vii}	Value uplift charge ^{ix}	\$17,034
Retail (per 100m²	General infrastructure charge ^{viii}	\$15,908
ĞFA)	Value uplift charge ^{ix}	\$12,022
Commercial (per 100m ² GFA)	General infrastructure charge ^{viii}	\$15,908
	Value uplift charge ^{ix}	\$12,022

vii Small < 60m² GFA, Medium = 60m² GFA to 100m² GFA, Large > 100m² GFA.
viii Applies to all GFA or dwellings in the project.
ix 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.

Appendix 3 – Approved infrastructure charging framework for greenfield priority development areas

EDQ infrastructure charges 2016/2017

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 (PoD) are as follows:

All greenfield PDAs		
	Local charge (per lot)	Value capture charge ^x (per lot)
Greater Flagstone and Yarrabilba	\$30,321	\$8545
Ripley Valley	\$30,872	N/A
Caloundra South	\$30,321	N/A

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^x Where applicable, refer to the Value Capture Charge at page 18.

Reconfiguring a lot with a POD and/or MCU

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		
	Residential charge (per lot)	
Municipal charge	\$21,552	
State charge	\$1329	
Implementation charge	\$1708	
Sub-regional charge	\$5733	
Total	\$30,322	
Catalyst infrastructure charge ^{xi}	\$5513	

Yarrabilba		
	Residential charge (per lot)	
Municipal charge	\$21,552	
State charge	\$1329	
Implementation charge	\$1708	
Sub-regional charge	\$5733	
Total	\$30,322	

Ripley Valley		
	Residential charge (per lot)	
Municipal charge	\$20,483	
State charge	\$2119	
Implementation charge	\$1139	
Sub-regional charge	\$7132	
Total	\$30,873	
Catalyst infrastructure charge ^{xi}	\$5513	

 $^{^{\}mbox{\scriptsize xi}}$ This charge is a component of the municipal charge.

Caloundra South		
	Residential charge (per lot)	
Municipal charge	\$19,613	
State charge	\$2369	
Implementation charge	\$1724	
Sub-regional charge	\$6615	
Total	\$30,321	

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				
Part A charge	Residential charge (per lot)			
Municipal charge	\$21,552	\$21,552		
State charge	\$1329			
Implementation charge	\$1708			
Sub-regional charge	\$5733			
Total	\$30,322			
Dart P charge	Residential charge (per dwelling unit)			
Part B charge	Small ^{xii}	Medium ^{xii}	Large ^{xii}	
Municipal charge	\$14,014	\$17,879	\$21,552	
State charge	\$864	\$1102	\$1329	
Implementation charge	\$1110	\$1416	\$1708	
Sub-regional charge	\$3308	\$4411	\$5733	
Total	\$19,296	\$24,808	\$30,322	
Catalyst infrastructure chargexiii	\$5513			

xiii This charge is a component of the municipal charge.

xii Small < 60sqm GFA, Medium = 60sqm to 100sqm GFA, Large > 100sqm GFA.

Yarrabilba				
Part A charge	Residential charge (per lot)			
Municipal charge	\$21,552	\$21,552		
State charge	\$1329			
Implementation charge	\$1708			
Sub-regional charge	\$5733			
Total	\$30,322	\$30,322		
Dout B chause	Residential charge (per dwelling unit)			
Part B charge	Small ^{xiv}	Medium ^{xiv}	Large ^{xiv}	
Municipal charge	\$14,014	\$17,879	\$21,552	
State charge	\$864	\$1102	\$1329	
Implementation charge	\$1110	\$1416	\$1708	
Sub-regional charge	\$3308	\$4411	\$5733	
Total	\$19,296	\$24,808	\$30,322	

Ripley Valley				
Part A charge	Residential charge (per lot)			
Municipal charge	\$20,483	\$20,483		
State charge	\$2119			
Implementation charge	\$1139			
Sub-regional charge	\$7132			
Total	\$30,873			
Part P charge	Residential charge (per dwelling unit)			
Part B charge	Small ^{xiv}	Medium ^{xiv}	Largexiv	
Municipal charge	\$13,168	\$16,827	\$20,483	
State charge	\$1363	\$1741	\$2119	
Implementation charge	\$733	\$935	\$1139	
Sub-regional charge	\$4584	\$5858	\$7132	
Total	\$19,848	\$25,361	\$30,873	
Catalyst infrastructure charge ^{xv}	\$5513			

xiv Small < 60sqm GFA, Medium = 60sqm to 100sqm GFA, Large > 100sqm GFA. xv This charge is a component of the municipal charge.

Caloundra South			
Part A charge	Residential charge (per lot)		
Municipal charge	\$19,613		
State charge	\$2369		
Implementation charge	\$1724		
Sub-regional charge	\$6615		
Total	\$30,321		
Dout D shares	Residential charge (per dwelling unit)		
Part B charge	Small ^{xvi}	Medium ^{xvi}	Large ^{xvi}
Municipal charge	\$11,858	\$15,506	\$19,613
State charge	\$1432	\$1874	\$2369
Implementation charge	\$1044	\$1365	\$1724
Sub-regional charge	\$4962	\$6064	\$6615
Total	\$19,296	\$24,809	\$30,321

xvi Small < 60sqm GFA, Medium = 60sqm to 100sqm GFA, Large > 100sqm GFA.

Non-residential municipal charges for all gre-	enfield PDAs		
Land use estageny	Part A charge	Part B charge	
Land use category	(per lot)	(per 1m ² of GFA)	
Retail			
Bulk landscape supplies	\$5418	\$154	
Fast food premises	\$5418	\$198	
Food premises	\$5418	\$198	
Garden centre	\$5418	\$154	
Market	\$0	\$0	
Outdoor sales	\$5418	\$154	
Service station	\$5418	\$198	
Shop	\$5418	\$198	
Shopping centre	\$27,091	\$198	
Showroom	\$5418	\$154	
Commercial			
Business	\$5418	\$154	
Car park	To be determined by EDQ at the time of assessment.		
Health care services	\$5418	\$154	
Sales office – on a residential lot	As per "Residential uses – other than a house".		
Industrial [excluding Greater Flagstone (Nort	h 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	\$5418	\$55	
Research and technology	\$5418	\$55	
Service industry	\$5418	\$198	
Warehouse	\$5418	\$55	
Rural			
Agriculture	\$0	\$0	
Agricultural supply store	\$5418	\$55	
Animal keeping and husbandry	To be determined by EDQ at the time of assessment.		
Intensive animal industry	\$5418	\$22	
Intensive horticulture	\$5418	\$22	
Wholesale nursery	\$5418	\$22	

Service, community and other uses			
Cemetery	\$0	\$0	
Child care centre	\$5418	\$154	
Community facility	\$0	\$0	
Crematorium	To be determined by EDQ at the time of assessment.		
Educational establishment	\$27,091	\$154	
Emergency services	\$5418	\$154	
Funeral parlour	\$5418	\$77	
Hospital	\$27,091	\$154	
Place of assembly	\$5418	\$77	
Telecommunications facility	\$0	\$0	
Utility installation	\$0	\$0	
Veterinary hospital	\$5418	\$154	
Sport, recreation and entertainment			
Indoor entertainment	\$10,836	\$220	
Indoor sport and recreation	\$10,836	\$220	
Outdoor sport and recreation	To be determined by EDQ at the time of assessment.		
Park	\$0		
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)]	\$5418	\$121	

Non-residential sub-regional charges for all greenfield PDAs		
PDA	Part A charge (per lot)	Part B charge (per 1m ² of GFA)
Greater Flagstone (excluding uses in the Industrial Use category of North Maclean)	\$2167	24.4% ^{xvii}
Greater Flagstone (only applicable to uses in the Industrial Use category of North Maclean)	\$4335	\$55
Yarrabilba	\$2167	24.4% ^{xvii}
Ripley Valley	\$2167	25.7% ^{xvii}
Caloundra South	\$2167	27.3% ^{xvii}

Infrastructure Funding Framework

xvii Calculated as a percentage of the Part B charge for non-residential municipal charges for the applicable land use as set out above

Value capture charge^{xviii}

Greater Flagstone and Yarrabilba				
Residential use – house				
Residential charge (per dwelling lot)	\$8545			
Residential uses – other than a house				
Part A charge (per lot)	\$8545			
Port P charge (per dwelling unit)	Small ^{xix}	Mediun	1 ^{xix}	Large ^{xix}
Part B charge (per dwelling unit)	\$4962	\$7442		\$8545
Non-residential uses	Part A charge (per lot)		Part B (per 1m	
All uses in the retail use category	\$2167		\$33	
All uses in the commercial use category	\$2167 \$33			
All uses in the industrial use category	\$2167 \$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.			

The Value Capture Charge only applies to land outside the urban footprint as shown in the South East Queensland Regional Plan 2009–2031.

xix Small < 60sqm GFA, Medium = 60sqm to 100sqm GFA, Large > 100sqm GFA.

Special infrastructure levy^{xx}

PDA	Column 1 Levy residential uses (per lot) (per annum)	Column 2 Levy non-residential uses ^{xxi} (per lot) (per annum)
Greater Flagstone and Yarrabilba	\$223	34%
Ripley Valley ^{xxii}	\$111	7.5%
Caloundra South	\$436	43%

xxii Maximum charge if required.

xx Payable for a period of 30 years from the creation of a new lot pursuant to a PDA development approval. Levy should be calculated as follows: Site value (as defined by the *Land Valuation Act 2010*) x Local government 'cents in the \$ per annum' adopted for the general rate by the local government x percentage to be levied (per annum) for non-residential uses as specified in column 2.

Appendix 4 – Timing for payment of infrastructure charges and indexation

Timing for payment of infrastructure charges

For the following types of PDA development approvals, the timing for the payment of infrastructure charges is as follows:

Type of PDA development approval	Timing of payment
Material change of use	 The earlier of the following: Prior to the endorsement of a building format plan. Prior to the commencement of use.
Material change of use (with a Plan of Development)	 The earlier of the following: Prior to the endorsement of plans/supporting information against the approved Plan of Development. Prior to the endorsement of a building format plan. 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: Prior to the endorsement of the plans/supporting information against the approved Plan of Development. 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 1 July in accordance with the following formula:

$$A x (1 + B)$$

Where:

- A is the infrastructure charge immediately prior to the calculation (i.e. the infrastructure charge for the previous financial year)
- B is the annual rate of the three 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= three 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 three 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 1 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 five 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.



Visit our website at: www.edq.qld.gov.au

Write to us at:

Economic Development Queensland GPO Box 2202

Brisbane QLD 4001

