



Infrastructure Funding Framework

February 2017



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Contents

Economic Development Queensland infrastructure charges	2
Appendix 1 - Infrastructure charges in priority development areas	3
Appendix 2 - Infrastructure charging framework for Bowen Hills, Northshore Hamilton and Fitzgibbon priority development areas.....	4
Appendix 3 - Approved infrastructure charging framework for greenfield priority development areas	8
Appendix 4 - Timing for payment of infrastructure charges and indexation.....	19

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 Charges 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				
Residential (per dwelling unit)	Small ⁱ	Medium	Large	
	\$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.			
All other uses	The applicable charge is that identified in Brisbane City Council’s applicable charging document.			
Fitzgibbon Chase				
Residential (per dwelling)	Detached dwelling	Dwelling unit		
		Small	Medium	Large
	\$19,497	\$8,892	\$12,402	\$20,416
Reconfiguration of a Lot (per lot)	\$19,497			
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.			
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	Large
	\$12,775	\$19,164	\$34,067
Retail (per 100m ² GFA)	\$24,045		
Commercial (per 100m ² GFA) which includes visitor accommodation	\$24,045		

ⁱⁱ Subject to transitional provisions and crediting arrangements.

ⁱⁱⁱ 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 - Small	General infrastructure charge	\$13,281
	Value uplift charge	\$0
Dwelling - Medium	General infrastructure charge	\$18,539
	Value uplift charge	\$0
Dwelling - Large	General infrastructure charge	\$30,687
	Value uplift charge	\$0
Retail (per 100m ² GFA)	General infrastructure charge	\$15,908
	Value uplift charge	\$0
Commercial (per 100m ² GFA)	General infrastructure charge	\$15,908
	Value uplift charge	\$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 - Small	General infrastructure charge	\$13,281
	Value uplift charge	\$12,775
Dwelling - Medium	General infrastructure charge	\$18,539
	Value uplift charge	\$19,164
Dwelling - Large	General infrastructure charge	\$30,687
	Value uplift charge	\$34,067
Retail (per 100m ² GFA)	General infrastructure charge	\$15,908
	Value uplift charge	\$24,045
Commercial (per 100m ² GFA)	General infrastructure charge	\$15,908
	Value uplift charge	\$24,045

^{iv} Small < 60m² GFA, Medium = 60m² GFA to 100m² GFA, Large > 100m² GFA.

^v 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 - Small	General infrastructure charge	\$13,281
	Value uplift charge	\$6,387
Dwelling - Medium	General infrastructure charge	\$18,539
	Value uplift charge	\$9,582
Dwelling - Large	General infrastructure charge	\$30,687
	Value uplift charge	\$17,034
Retail (per 100m ² GFA)	General infrastructure charge	\$15,908
	Value uplift charge	\$12,022
Commercial (per 100m ² GFA)	General infrastructure charge	\$15,908
	Value uplift charge	\$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 Material Change of Use (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	\$30,322	\$8,545
Ripley Valley	\$30,873	N/A
Caloundra South	\$30,321	N/A

^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 (PoD) and/or a Material Change of Use (MCU) is as follows:

Residential use – House

Greater Flagstone	
	Residential charge (per lot)
Municipal charge	\$21,552
State charge	\$1,329
Implementation charge	\$1,708
Sub-regional charge	\$5,733
Total	\$30,322
Catalyst infrastructure charge ^{xi}	\$5,513

Yarrabilba	
	Residential charge (per lot)
Municipal charge	\$21,552
State charge	\$1,329
Implementation charge	\$1,708
Sub-regional charge	\$5,733
Total	\$30,322

Ripley Valley	
	Residential charge (per lot)
Municipal charge	\$20,483
State charge	\$2,119
Implementation charge	\$1,139
Sub-regional charge	\$7,132
Total	\$30,873
Catalyst infrastructure charge	\$5,513

^{xi} This charge is a component of the municipal charge.

Caloundra South	
	Residential charge (per lot)
Municipal charge	\$19,613
State charge	\$2,369
Implementation charge	\$1,724
Sub-regional charge	\$6,615
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		
State charge	\$1,329		
Implementation charge	\$1,708		
Sub-regional charge	\$5,733		
Total	\$30,322		
Part B charge	Residential charge (per dwelling unit)		
	Small ^{xii}	Medium	Large
Municipal charge	\$14,014	\$17,879	\$21,552
State charge	\$864	\$1,102	\$1,329
Implementation charge	\$1,110	\$1,416	\$1,708
Sub-regional charge	\$3,308	\$4,411	\$5,733
Total	\$19,296	\$24,808	\$30,322
Catalyst infrastructure charge ^{xiii}	\$5,513		

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

^{xiii} This charge is a component of the municipal charge.

Yarrabilba			
Part A charge	Residential charge (per lot)		
Municipal charge	\$21,552		
State charge	\$1,329		
Implementation charge	\$1,708		
Sub-regional charge	\$5,733		
Total	\$30,322		
Part B charge	Residential charge (per dwelling unit)		
	Small ^{xiv}	Medium	Large
Municipal charge	\$14,014	\$17,879	\$21,552
State charge	\$864	\$1,102	\$1,329
Implementation charge	\$1,110	\$1,416	\$1,708
Sub-regional charge	\$3,308	\$4,411	\$5,733
Total	\$19,296	\$24,808	\$30,322

Ripley Valley			
Part A charge	Residential charge (per lot)		
Municipal charge	\$20,483		
State charge	\$2,119		
Implementation charge	\$1,139		
Sub-regional charge	\$7,132		
Total	\$30,873		
Part B charge	Residential charge (per dwelling unit)		
	Small	Medium	Large
Municipal charge	\$13,168	\$16,827	\$20,483
State charge	\$1,363	\$1,741	\$2,119
Implementation charge	\$733	\$935	\$1,139
Sub-regional charge	\$4,584	\$5,858	\$7,132
Total	\$19,848	\$25,361	\$30,873
Catalyst infrastructure charge ^{xv}	\$5,513		

^{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	\$2,369		
Implementation charge	\$1,724		
Sub-regional charge	\$6,615		
Total	\$30,321		
Part B charge	Residential charge (per dwelling unit)		
	Small ^{xvi}	Medium	Large
Municipal charge	\$11,858	\$15,506	\$19,613
State charge	\$1,432	\$1,874	\$2,369
Implementation charge	\$1,044	\$1,365	\$1,724
Sub-regional charge	\$4,962	\$6,064	\$6,615
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 greenfield PDAs		
Land use category	Part A charge (per lot)	Part B charge (per 1m ² of GFA)
Retail		
Bulk landscape supplies	\$5,418	\$154
Fast food premises	\$5,418	\$198
Food premises	\$5,418	\$198
Garden centre	\$5,418	\$154
Market	\$0	\$0
Outdoor sales	\$5,418	\$154
Service station	\$5,418	\$198
Shop	\$5,418	\$198
Shopping centre	\$27,091	\$198
Showroom	\$5,418	\$154
Commercial		
Business	\$5,418	\$154
Car park	To be determined by EDQ at the time of assessment	
Health care services	\$5,418	\$154
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	\$5,418	\$55
Research and technology	\$5,418	\$55
Service industry	\$5,418	\$198
Warehouse	\$5,418	\$55
Rural		
Agriculture	\$nil	\$nil
Agricultural supply store	\$5,418	\$55
Animal keeping and husbandry	To be determined by EDQ at the time of assessment	
Intensive animal industry	\$5,418	\$22
Intensive horticulture	\$5,418	\$22
Wholesale nursery	\$5,418	\$22

Service, community and other uses		
Cemetery	\$0	\$0
Child care centre	\$5,418	\$154
Community facility	\$0	\$0
Crematorium	To be determined by EDQ at the time of assessment	
Educational establishment	\$27,091	\$154
Emergency services	\$5,418	\$154
Funeral parlour	\$5,418	\$77
Hospital	\$27,091	\$154
Place of assembly	\$5,418	\$77
Telecommunications facility	\$0	\$0
Utility installation	\$0	\$0
Veterinary hospital	\$5,418	\$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	\$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)]	\$5,418	\$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)	\$2,167	24.4% ^{xvii}
Greater Flagstone (only applicable to uses in the Industrial Use category of North Maclean)	\$4,335	\$55
Yarrabilba	\$2,167	24.4%
Ripley Valley	\$2,167	25.7%
Caloundra South	\$2,167	27.3%

^{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)	\$8,545		
Residential uses – other than a house			
Part A charge (per lot)	\$8,545		
Part B charge (per dwelling unit)	Small ^{xix}	Medium	Large
	\$4,962	\$7,442	\$8,545
Non-residential uses	Part A charge (per lot)		Part B charge (per 1m ² GFA)
All uses in the retail use category	\$2,167		\$33
All uses in the commercial use category	\$2,167		\$33
All uses in the industrial use category	\$2,167		\$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		

^{xviii} 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 Error! Bookmark not defined.	\$436	43%

^{xx} Payable for a period of 30 years from the creation of a new lot pursuant to a PDA development approval.

^{xxi} 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.

^{xxii} Maximum charge if required

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: 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 (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

$x = [(\text{first March in the current financial year} - \text{March which is three (3) years prior to the first March in the current financial year}) / \text{March which is three (3) years prior to the first March in the current financial year}]$

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 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 offset

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.



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