

Strategic Planning

Infrastructure Charges - Infrastructure Charges Resolution

REPORT TO COUNCIL

Authorised by Director Planning and Development
Prepared by Infrastructure Charges Planning Officer
Department Strategic Planning
Date 24 May 2016

Executive Summary

Council's infrastructure charge resolution is reviewed on an annual basis, with the next resolution due before 30 June 2016. A new charge resolution is proposed for the 2016/17 financial year, based on inflationary adjustments of the current charges and consideration of the statutory charge caps.

Key points to note:

- Infrastructure charges are based on costings, annually adjusted by inflationary forecasts.
- The forecast for 2016/17 is 1.1% more than previously adopted for 2015/16.
- State government charge caps were set in 2011 and are not subject to inflationary adjustment.
- Non-residential charges in the fully serviced urban, urban fringe, and remote areas are currently at the cap and will not change.
- Residential charges in remote areas are currently at the cap and will not change.
- In terms of the typical Dwelling house (3 bedroom):
 - o the government cap is \$28,000 and has not been adjusted for inflation since 2011;
 - o charges in the fully serviced urban area are currently \$26,900 ; and
 - o charges will increase by approx. 1.1%, to \$27,200.
- The local development industry, through the Urban Development Institute of Australia, were consulted on the proposal.

Officer's Recommendation

1. That the council resolve that it makes the following resolutions pursuant to section 630 of the *Sustainable Planning Act 2009*, and that cumulatively they are the Council's *Infrastructure Charges Resolution 2016*.
2. That the council resolve that the *Infrastructure Charges Resolution 2016* applies to the Townsville City Council Local Government Area for all locations where the levying of infrastructure charges are not otherwise restricted by particular legislation.
3. That the council resolve that the *Infrastructure Charges Resolution 2016* has effect on and from 1 July 2016 until superseded by the commencement of another charges resolution.
4. That the council resolve that the *Infrastructure Charges Resolution 2016* applies to applications for approval for :
 - Material Change of Use - all material change of use development.
 - Reconfiguration of Lot – where additional allotments are created. Charges will be calculated by reference to the land use on each allotment. For vacant allotments:

- residential and emerging communities zonings are the equivalent of a Dwelling House (3 bedroom) on the relevant lot size, and
 - other zonings are the equivalent of a Caretaker's accommodation (3 bedroom, detached dwelling) on the relevant site area.
- Building Works - for self-assessable or exempt land uses and zonings:
 - as identified in Schedule 1, or
 - relative to the existing land use (or equivalent use for a vacant allotment, as specified above), it proposes a moderate-to-high increase of demand on the infrastructure network.
5. That the council resolve that the applicable infrastructure charge is to be determined by applying the location factor of Schedule 2 to the base charge of Schedule 3 and the size of the development.
6. That the council resolve that to calculate the net charge to be levied on a development, the applicable charge for the proposed land use is to be reduced by the applicable charge for a 'credit' land use, being:
- an existing use on the premises if the use is lawful and already taking place on the premises;
 - a previous use that is no longer taking place on the premises if the use was lawful at the time it was carried out; and
 - other development on the premises if the development may be lawfully carried out without the need for a further development permit.
7. That the council resolve that the applicable charge for the proposed land use and the 'credit' land use, relevant to a net charge levied on an infrastructure charges notice, be indexed at the time it is paid to council.

The indexation must be calculated:

- (i) in accordance with the 3-year moving average quarterly percentage change of the Australian Bureau of Statistics, Road and Bridge Construction Index (Queensland series) forecast by council for the December quarter of the financial year of the charge payment and
 - (ii) but is not to result in a charge that is more than the relevant State Planning Regulatory Provision (SPRP) maximum charge.
8. That the council resolve that when calculating the establishment cost of trunk infrastructure subject to an offset or refund under section 633 of the *Act*, or when an application is made to recalculate establishment cost under section 657 of the *Act*, the value of trunk infrastructure is to be:
- (i) determined after the design of such infrastructure has been approved by council, and prior to the commencement of work to provide the infrastructure; and
 - (ii) the amount agreed by council's Chief Executive Officer, being an amount that is within the range determined in accordance with the quotation and tender requirements of s5.5 to s5.10 of council's procurement procedure (document no. 3027, version 3, dated 15/3/13). The relevant quotations or tenders are to be sourced by the applicant in collaboration with council.
9. That the council resolve that conversion criteria used for making a decision on a conversion application made under section 659 of the *Act* are:
- (i) the infrastructure has capacity to service other developments in the area;
 - (ii) the function and purpose of the infrastructure is consistent with other trunk infrastructure identified in the Local Government Infrastructure Plan (LGIP). To be clear, it must:

- a. be consistent with the definitions of trunk infrastructure used in mapping the plans for trunk infrastructure; and
 - b. provide the associated desired standards of service to the assumed growth;
- (iii) the infrastructure is not consistent with non-trunk infrastructure for which conditions may be imposed in accordance with s665 of the *Act*; and
- (iv) the type, size and location of the infrastructure is the most cost effective option for servicing multiple users in the area, with 'most cost effective option' meaning the least cost option based upon the life cycle cost of the infrastructure required to service the future urban development in the area at the desired standard of service.
10. That the council resolve that the term 'Gross Floor Area' (GFA) as used in this resolution be defined as:

the total floor area of all storeys of a building (measured from the outside of the external walls or the centre of a common wall), other than areas used for the following:

- (a) building services, plant and equipment;
- (b) access between levels;
- (c) ground floor public lobby;
- (d) a mall;
- (e) the parking, loading and manoeuvring of motor vehicles; and
- (f) unenclosed private balconies whether roofed or not.

In addition, the term shall include the floor space of associated outdoor dining areas.

Other words and terms used in this resolution have the meaning given in the *Sustainable Planning Act 2009* or the *Queensland Planning Provisions* version 3.1. If a word or term used in this resolution is not defined in *Sustainable Planning Act 2009* or the *Queensland Planning Provisions* version 3.1, it has the meaning given in the planning scheme.

11. That the council resolve to adopt the following schedules:

Schedule 1 – Building works subject to infrastructure charges

Schedule 2 – Charge areas and location factors

Schedule 3 – Base charges

Infrastructure charge resolution (28 June 2016)

CONTEXT

A new Infrastructure Charges Resolution, was adopted by Council on 28 June 2016 and commenced effect on 1 July 2016.

PURPOSE

The resolution adjusts the amounts in the previous Infrastructure charges resolution for inflation, so that charge rates apply for the 2016/17 financial year.

It continues to identify which development is subject to infrastructure charges (charges) and specifies:

- how to, at the time of preparing an infrastructure charges notice:
 - calculate the charge for a land use, and;
 - give credit for land use entitlements on the land;
- how to calculate the establishment cost of trunk infrastructure conditioned to be provided by a developer and eligible to offset charges;
- the circumstances in which council would consider the conversion of non-trunk infrastructure to trunk infrastructure.

Did you know?

The charges set by the resolution do not exceed the statutory caps, and are fixed for the 2016-17 financial year.

APPLICABLE DEVELOPMENT

Development which does not require a development permit in Townsville will not be able to be levied charges. For those that do require a permit, charges under the resolution could apply to developments approved after 30 June 2016, including:

Reconfiguration of lot

Charges apply to all Reconfiguration of a lot (ROL) development which generates additional allotments.

Material Change of Use

Charges apply to all Material Change of Use (MCU) development which generates additional infrastructure demand.

Building Work

Charges may apply to Building Work (BW) for self-assessable or exempt land uses, that require a building permit, and are likely to generate additional infrastructure demand. Schedule 1 of the resolution provides guidance for such BW.

Did you know?

Self-assessable Dual Occupancy development in the residential land use zones are candidates to be levied infrastructure charges at BW stage.

TRANSITIONAL PROVISIONS

The new resolution is essentially the same as the previous resolution so no transitional arrangements have been made.

BASE CHARGES

The infrastructure charges for development within the fully serviced urban area are referred to in Schedule 3 of the resolution as the 'base charges'

Did you know?

The base charge for a 600m² vacant lot on residential land is \$27,200.

LOCATION EFFECTS

Infrastructure charges for a given type of development may vary depending on the combination of service connections and the service area in which it is located.

In the fully serviced urban area, the charges are 100% of the base charge. In other locations, the charges are a proportion, as represented in Schedule 2 of the resolution. Where the map in Schedule 2 is not clear, the service area

maps within the planning scheme will remove any ambiguity.

Did you know?

The charge for a rural residential lot in the water service area at Alligator Creek is 65.5% of \$27,200 = \$17,820.

CHARGE CREDITS

When calculating the charge to levy on a proposed development, the applicable charge for the proposed use is to be 'credited' by the applicable charge for lawful uses on the land where they:

- presently exist;
- previously existed, or;
- could otherwise occur without need of a development permit.

Did you know?

A vacant allotment being subdivided can have the original vacant allotment as a credit use.

VALUING ESTABLISHMENT COST

Trunk infrastructure required to be delivered by a developer is to be valued in accordance with the method in the resolution. This method emulates council's purchasing policy, effectively requiring public tendering of value large infrastructure items.

TRUNK INFRASTRUCTURE CONVERSIONS

Where a developer has been conditioned to provide non-trunk infrastructure, and has not commenced work yet, they are able to apply to council to convert the infrastructure to 'trunk' status.

The resolution guides how this could be approved, and generally excludes situations where growth occurs in locations, times, intensities and types that do not align with the planning scheme. It also excludes situations where the infrastructure is less efficient than already planned, or otherwise achievable.

FURTHER INFORMATION

The following sources also provide relevant information:

- Council's infrastructure charges resolution (28.6.16);
- Department of Infrastructure, Local Government and Planning fact sheets and statutory guidelines;
- Sustainable Planning Act (Chapter 8 - Infrastructure).

DISCLAIMER

The contents of this information sheet have been prepared to assist in the understanding of how the infrastructure charges resolution applies to development. The information contained herein is not guaranteed for currency or accuracy, and does not replace the relevant provisions of the Sustainable Planning Act 2009 and the infrastructure charges resolution.

Schedule 1 – Building works subject to infrastructure charges

(Y = self-assessable or exempt land use development which are candidate for charges at building works)

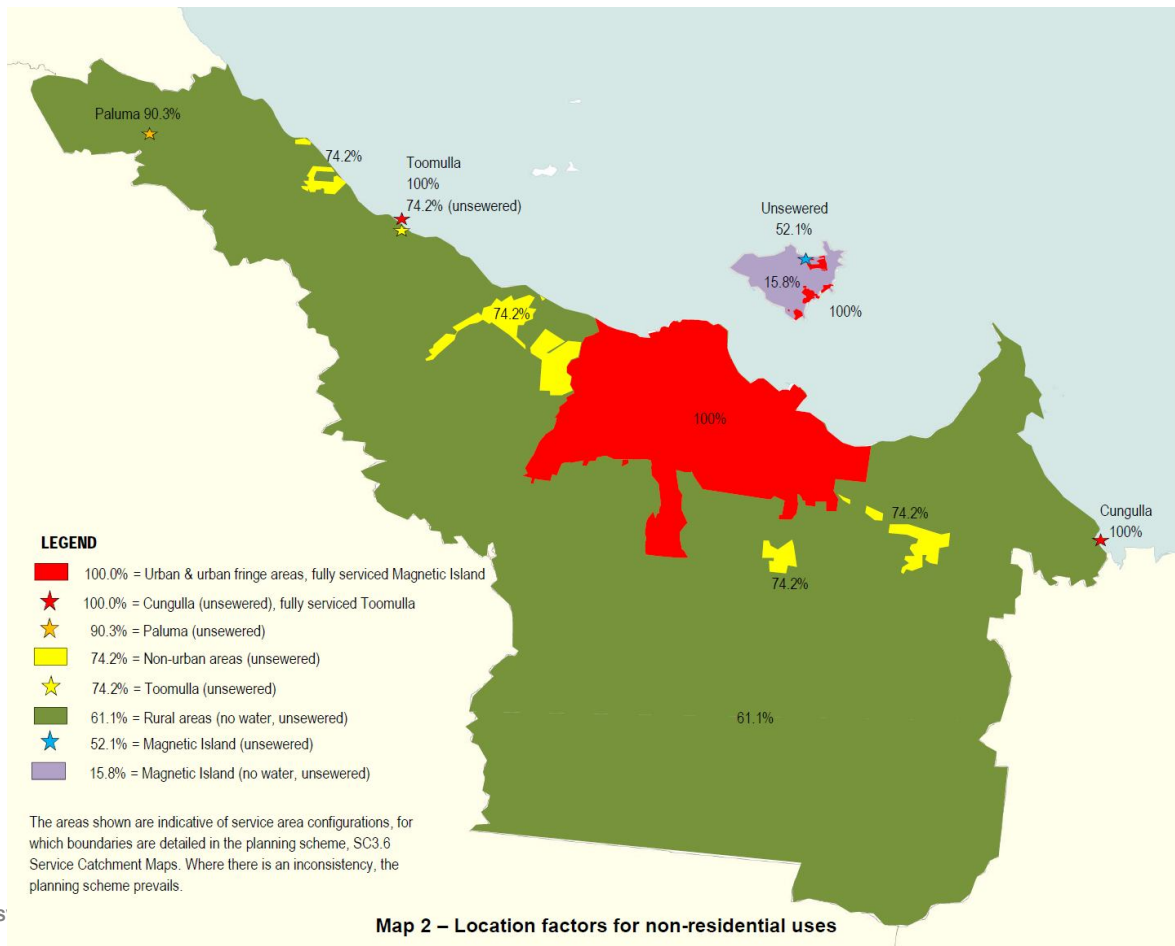
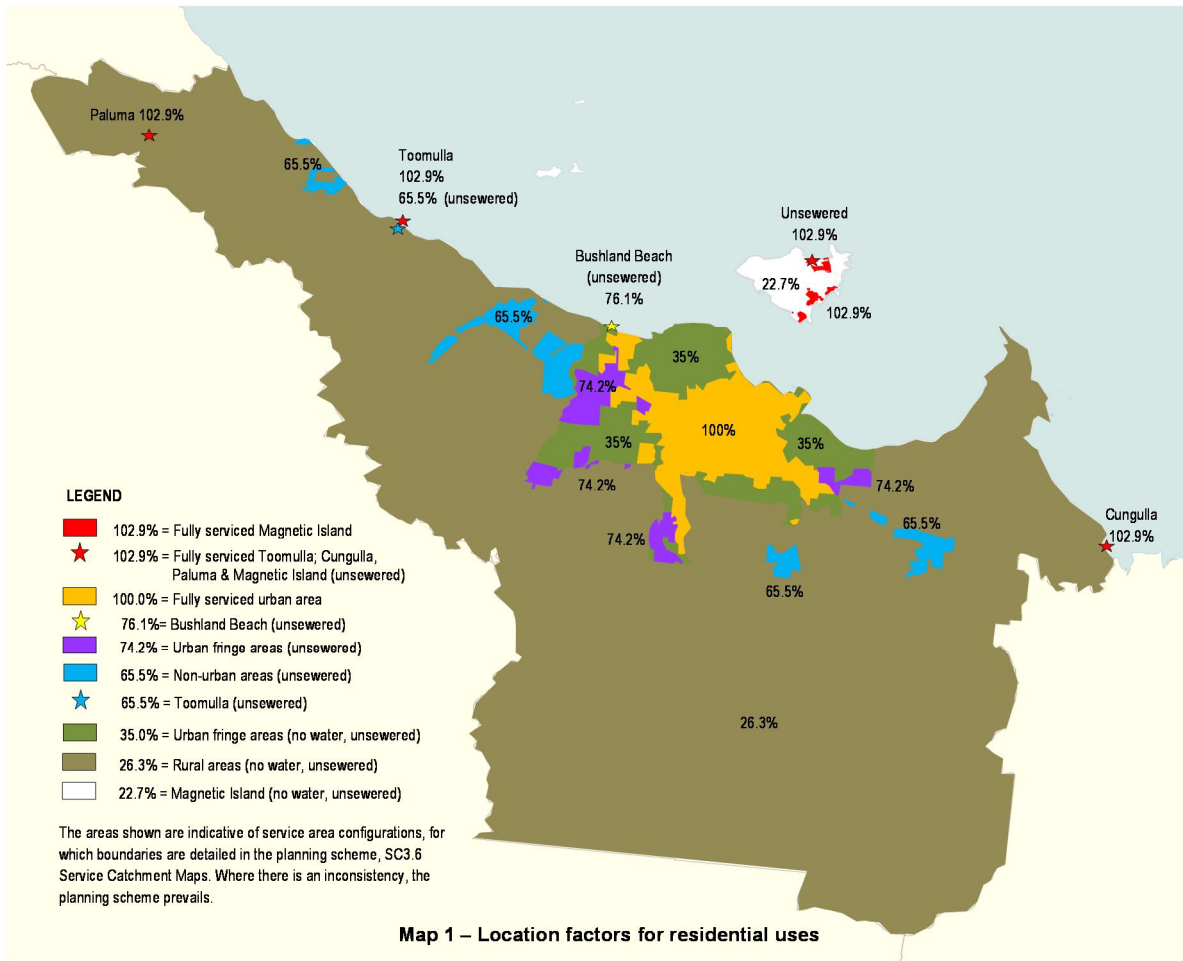
OPP land use (associated building works)	Land use zone																					
	LDR	MDR	HDR	RR	CR	NC	LC	DC	MC	PC	SC	MU	SR	OS	CF	CON	LII	MII	HII	RUR	EC	
Animal husbandry																						Y
Animal keeping	Y			Y																		
Bar								Y	Y	Y		Y										
Car wash								Y	Y													
Caretaker's accommodation	Y																					
Child care centre						Y	Y	Y	Y	Y	Y	Y										
Community care centre															Y							
Community residence	Y	Y	Y	Y	Y										Y					Y		
Community use													Y		Y							
Cropping				Y																		Y
Dual occupancy	Y	Y	Y		Y									Y								
Dwelling house														Y								
Dwelling unit	Y	Y	Y							Y												
Educational establishment			Y	Y			Y	Y	Y	Y		Y										
Food and drink outlet																	Y	Y	Y			
Home based business						Y	Y	Y	Y	Y	Y	Y									Y	
Hotel								Y	Y													

QPP land use (associated building works)	Land use zone																				
	LDR	MDR	HDR	RR	CR	NC	LC	DC	MC	PC	SC	MU	SR	OS	CF	CON	LII	MII	HII	RUR	EC
Indoor sport and recreation							Y	Y	Y	Y	Y	Y									
Intensive horticulture																				Y	
Landing	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Low impact industry																	Y	Y			
Medium impact industry																		Y	Y		
Multiple dwelling							Y	Y	Y			Y									
Nightclub entertainment facility										Y											
Park	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Research and technology industry																		Y	Y		
Retirement facility								Y	Y			Y									
Roadside stall				Y																Y	
Rooming accommodation							Y	Y	Y	Y		Y									
Rural industry																				Y	
Service industry																	Y				
Service station								Y	Y												
Short-term accommodation							Y	Y	Y			Y									
Theatre									Y	Y											
Warehouse																			Y		

Zoning legend

Abbreviation	Zone
LDR	Low density residential
MDR	Medium density residential
HDR	High density residential
RR	Rural residential
CR	Character residential
NC	Neighbourhood centre
LC	Local centre
DC	District centre
MC	Major centre
PC	Principle centre
SC	Sub-regional centre
MU	Mixed use
SR	Sport and recreation
OS	Open space
CF	Community facilities
CON	Conservation
LII	Low impact industry
MII	Medium impact industry
HII	High impact industry
RUR	Rural
EC	Emerging communities

Schedule 2 – Charge areas and location factors



Schedule 3 – Base charges

Table 1 – Base charges for residential uses

(1) Use category	(2) Use	(3) Charge category	(4) Base charge (\$)
Residential	Dwelling house	1 or 2 bedroom dwelling	17,480
		3 or more bedroom dwelling	
		on lots < 200m2	22,220
		on lots 201m2-299m2	24,800
		on lots 300m2-399m2	26,000
		on lots 400m2 and greater	27,200
	Dwelling unit	1 bedroom dwelling	11,800
		2 bedroom dwelling	16,710
		3 or more bedroom dwelling	23,600
	Caretaker's accommodation (attached dwelling)	1 bedroom dwelling	11,800
		2 bedroom dwelling	16,710
		3 or more bedroom dwelling	23,600
	Caretaker's accommodation (detached dwelling)	1 or 2 bedroom dwelling	17,480
		3 or more bedroom dwelling	
		on lots < 200m2	22,220
		on lots 201m2-299m2	24,800
		on lots 300m2-399m2	26,000
		on lots 400m2 and greater	27,200
	Multiple dwelling	1 bedroom dwelling	11,800
		2 bedroom dwelling	16,710
		3 or more bedroom dwelling	23,600
Dual occupancy	1 bedroom dwelling	11,800	
	2 bedroom dwelling	16,710	
	3 or more bedroom dwelling	23,600	
Accommodation (short term)	Hotel	1 bedroom (non-suite)	7,310
		1 bedroom (suite)	7,310
		2 bedroom suite	9,610
		3 or more bedroom suite	13,450
	Short-term accommodation	1 bedroom (non-suite, < 6 beds)	9,610
		1 bedroom (non-suite, 6 or more beds)	*
		1 bedroom suite	6,350
		2 bedroom suite	8,970
		3 or more bedroom suite	12,650
	Tourist park	Caravan/tent (group of 1 or 2 sites)	9,610
		Caravan/tent (group of 3 sites)	13,450
		Cabin (1 or 2 bedroom)	9,610
		Cabin (3 or more bedrooms)	13,450
	Accommodation (long term)	Community residence	1 bedroom (non-suite)
1 bedroom suite			13,900
2 bedroom suite			18,000

(1) Use category	(2) Use	(3) Charge category	(4) Base charge (\$)
		3 or more bedroom suite	26,980
	Rooming accommodation	1 bedroom (non-suite, < 6 beds)	14,630
		1 bedroom (non-suite, 6 or more beds)	*
		1 bedroom suite	7,880
		2 bedroom suite	10,580
		3 or more bedroom suite	14,630
	Relocatable home park	1 bedroom dwelling site	11,800
		2 bedroom dwelling site	16,710
		3 or more bedroom dwelling site	23,600
	Retirement facility	1 bedroom (non-suite)	8,210
		1 bedroom suite	11,800
		2 bedroom suite	16,710
		3 or more bedroom suite	23,600
Other Uses *	A use not otherwise listed above.	The charge is the charge in column 3 and 4 for a use category (in column 2) that appropriately reflects the use at the time of assessment. Where these are not appropriate, the charge is to be based on first principles, determined at the time of assessment.	

Table 2 – Base charges for non-residential uses

(1) Use category	(2) Use	(3) Charge category	(4) Base charge (\$)
Places of assembly	Club	m2 GFA	70
	Community use	m2 GFA	70
	Function facility	m2 GFA	70
	Funeral parlour	m2 GFA	70
	Place of worship	m2 GFA	70
Commercial (bulk goods)	Agricultural supplies store	m2 GFA	80
	Bulk landscape supplies	m2 GFA	140
	Garden centre	m2 GFA	140
	Hardware and trade supplies	m2 GFA	140
	Outdoor sales	m2 GFA	100
	Showroom	m2 GFA	120
Commercial (retail)	Adult store	m2 GFA	180
	Food and drink outlet	m2 GFA	180
	Service industry	m2 GFA	140
	Service station (fuel pumps)	Nil	Nil
	Service station (shop component)	m2 GFA	180
	Service station (vehicle repair shop)	m2 GFA	50

(1) Use category	(2) Use	(3) Charge category	(4) Base charge (\$)
	Service station (food and drink outlet)	m2 GFA	180
	Shop	m2 GFA	180
	Shopping centre	m2 GFA	180
Commercial (office)	Office	m2 GFA	140
	Sales office	m2 GFA	140
Education facility	Childcare centre	m2 GFA	140
	Community care centre	m2 GFA	*
	Educational establishment (Primary)	m2 GFA	140
	Educational establishment (Secondary)	m2 GFA	140
	Educational establishment (Flying Start for Old Children program)	Nil	Nil
	Educational establishment (Tertiary)	m2 GFA	140
Entertainment	Bar	m2 GFA	200
	Hotel (Non-accommodation)	m2 GFA	200
	Nightclub	m2 GFA	200
	Theatre	m2 GFA	200
Indoor sport and recreation	Indoor sport and recreation (court areas)	m2 GFA	*
	Indoor sport and recreation (non-court areas)	m2 GFA	*
Industry	Low impact industry	m2 GFA	50
	Marine industry	m2 GFA	50
	Medium impact industry	m2 GFA	50
	Research and technology industry	m2 GFA	50
	Rural industry	As for Other Uses (Column 1)	*
	Transport depot	As for Other Uses (Column 1)	*
	Warehouse (self-storage facility)	m2 GFA	30
	Warehouse (Other warehouse)	m2 GFA	30
High impact industry	High impact industry	As for Other Uses (Column 1)	*
	Special industry	As for Other Uses (Column 1)	*
Low impact rural	Animal husbandry	Nil	Nil
	Cropping	Nil	Nil
	Permanent plantation	Nil	Nil
High impact rural	Aquaculture	As for Other Uses (Column 1)	*
	Intensive animal husbandry	As for Other Uses (Column 1)	*
	Intensive horticulture	As for Other Uses (Column 1)	*
	Wholesale nursery	As for Other Uses (Column 1)	*
	Winery	As for Other Uses (Column 1)	*
Essential services	Detention facility	m2 GFA	*
	Emergency services	m2 GFA	*
	Health care services	m2 GFA	140
	Hospital	m2 GFA	*
	Residential care facility	m2 GFA	80
	Veterinary services	m2 GFA	140

(1) Use category	(2) Use	(3) Charge category	(4) Base charge (\$)
Specialised uses	Air services	As for Other Uses (Column 1)	*
	Animal keeping	As for Other Uses (Column 1)	*
	Brothel	As for Other Uses (Column 1)	*
	Parking station	As for Other Uses (Column 1)	*
	Crematorium	As for Other Uses (Column 1)	*
	Extractive industry	As for Other Uses (Column 1)	*
	Major sport, recreation and entertainment facility	As for Other Uses (Column 1)	*
	Motor sport facility	As for Other Uses (Column 1)	*
	Non-resident workforce accommodation	As for Other Uses (Column 1)	*
	Outdoor sport and recreation	As for Other Uses (Column 1)	*
	Port services	As for Other Uses (Column 1)	*
	Tourist attraction	As for Other Uses (Column 1)	*
	Utility installation	As for Other Uses (Column 1)	*
Minor uses	Cemetery	Nil	Nil
	Home based business	Nil	Nil
	Landing	Nil	Nil
	Market	Nil	Nil
	Park	Nil	Nil
	Roadside stall	Nil	Nil
	Substation	Nil	Nil
	Telecommunications facility	Nil	Nil
Other Uses *	A use not otherwise listed above.	The charge is the charge in column 3 and 4 for a use category (in column 2) that appropriately reflects the use at the time of assessment. Where these are not appropriate, the charge is to be based on first principles, determined at the time of assessment.	

Notes

* For the base charge, refer to Other Uses *

Committee Recommendation

That the officer's recommendation be adopted.

Council Decision

Refer to resolution preceding item 8 of the council minutes (page) where council resolved that the committee recommendation be adopted.