

# Strategic Planning

## Infrastructure Charges - Infrastructure Charges Resolution

### REPORT TO COUNCIL

**Authorised by** Director Planning and Development  
**Prepared by** Priority Infrastructure Planning Officer  
**Department** Strategic Planning  
**Date** 25 May 2015

### Executive Summary

Council previously adopted an infrastructure charges resolution in October 2014. It was to be formally commenced pending agreement with the State Government regarding providing grants and Priority Development Infrastructure (PDI) funding to council to the satisfaction of the Chief Executive Officer.

The State Government has not made a formal decision on council's PDI funding request and have advised that no decision will be made before 1 July 2015, being the legislative cut-off date to have the resolution in place to allow the recovery of infrastructure charges. To commence the previous resolution would put council at risk of reducing infrastructure charges below the statutory cap without any formal decision on the financial incentives of the PDI funding loan that would offset this shortfall in infrastructure funds.

Accordingly, council must now adopt another infrastructure charges resolution which would have effect on new development commencing on 1 July 2015.

### Officer's Recommendation

1. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that this infrastructure charges resolution 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.
2. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that the infrastructure charges as detailed in accordance with resolution 3 have effect on and from 1 July 2015 until superseded by the commencement of another charges resolution, with the exception of development permit applications properly made before 1 July 2015, whereby the charges as per the previous charge resolution dated 12 June 2014 apply where they are lower.
3. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that the Infrastructure charges apply to:
  - Material Change of Use - all material change of use development;

- Reconfiguration of Lot – where additional allotments are created. Charges shall be relevant to the land use on the 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.

The applicable infrastructure charge will be the amount determined by applying the location factor of Schedule 2 to the base charge of Schedule 3 and the size of the development.

4. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that in calculating the net charge to be levied on a development, resolution 3 above is to be applied such that the applicable charge for the proposed land use is 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;
  - other development on the premises if the development may be lawfully carried out without the need for a further development permit.
5. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that the applicable charge for the proposed land use and the 'credit' land use be indexed after the charge is levied and before 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.
  - (ii) But is not to result in an increase that is more than the difference between the levied charge and the State Planning Regulatory Provision (SPRP) maximum charge.
6. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that the method used to recalculate the establishment cost when an application is made under section 657 of the *Sustainable Planning Act 2009* be as follows:
    - (i) The value of the trunk infrastructure be determined in accordance with the quotation and tender requirements of s5.5 to s5.10 of council's procurement policy (document no. 3027, version 3, dated 15/3/13); and
    - (ii) The value of the trunk infrastructure be submitted to the Director, Planning and Development Services to facilitate approval of the valuation, in accordance with council's financial delegations.
  7. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that conversion criteria used for making a decision on a conversion application made under section 659 of the *Sustainable Planning Act 2009* be as follows:
    - (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 provide the assumed growth in the LGIP with the associated desired standards of service and be consistent with the definitions of trunk infrastructure used in mapping the plans for trunk infrastructure.
- (iii) The infrastructure is not consistent with non-trunk infrastructure for which conditions may be imposed in accordance with s665 of SPA;
- (iv) The type, size and location of the infrastructure is the most cost effective option for servicing multiple users in the area. A definition of cost effectiveness as it relates to trunk infrastructure is provided below:
  - Most cost effective option – means 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.

8. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that the words and terms used in this resolution have the meaning given in 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.

9. That pursuant to section 630 of the *Sustainable Planning Act 2009* council resolve that council 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 (23 June 2015)



## INFORMATION SHEET

### CONTEXT

A new Infrastructure Charges Resolution, aligned with the new planning scheme, was adopted by council on 23 June 2015 and commenced effect on 1 July 2015.

### PURPOSE

The resolution identifies 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 re-calculate the establishment cost of trunk infrastructure eligible to offset charges, if applicable;

Did you know?

The charges set by the resolution do not exceed the statutory caps, and are fixed for the 2015-16 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 new resolution could apply to developments approved after 30 June 2015, including:

#### Reconfiguration of a 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

Undecided development applications that were properly made before 1 July 2015 are to be charged the lesser of that determined by the previous or new charge resolution. Building works will not be charged where the building certifier was engaged prior to the 1 July 2015.

This ensures that applications retain their feasibility as at the time they were lodged, or become more feasible.

### BASE CHARGES

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

Did you know?

The base charge for a 600m<sup>2</sup> vacant lot on residential land is \$26,900.

### 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.

# Infrastructure Charge Resolution (23 June 2015)



## INFORMATION SHEET

In the fully serviced urban area, the charges at 100% of the base charges. 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 \$26,900 = \$17,620

### CHARGE CREDITS

When calculating the charge to levy, 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.

The onus of evidence of previous uses will be on the applicant to demonstrate, and such uses may need to account for historical infrastructure demand rates rather than be the equivalent of a contemporary land use.

Uses that could otherwise occur without the need for a development permit exclude those that require permits for ROL, MCU, BW, operational works and plumbing and drainage work, as defined in the *Sustainable Planning Act 2009*.

Did you know?

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

### REVALUING ESTABLISHMENT COST

A developer who delivers trunk infrastructure is generally eligible to claim the cost as an offset to their infrastructure charges, or as a refund where the cost exceeds such charges.

Where the developer does not agree with the value of the establishment cost indicated by an associated infrastructure charge notice, they are eligible to have the cost re-valued in accordance with the method in the charges resolution.

The method emulates council's purchasing policy, generally requiring public tendering or written quotations depending on the expected value of the infrastructure.

### 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 for consideration 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 (23.6.15);
- Department of Infrastructure, Local Government and Planning fact sheets and statutory guidelines;
- *Sustainable Planning Act 2009* (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.



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	
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	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	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		

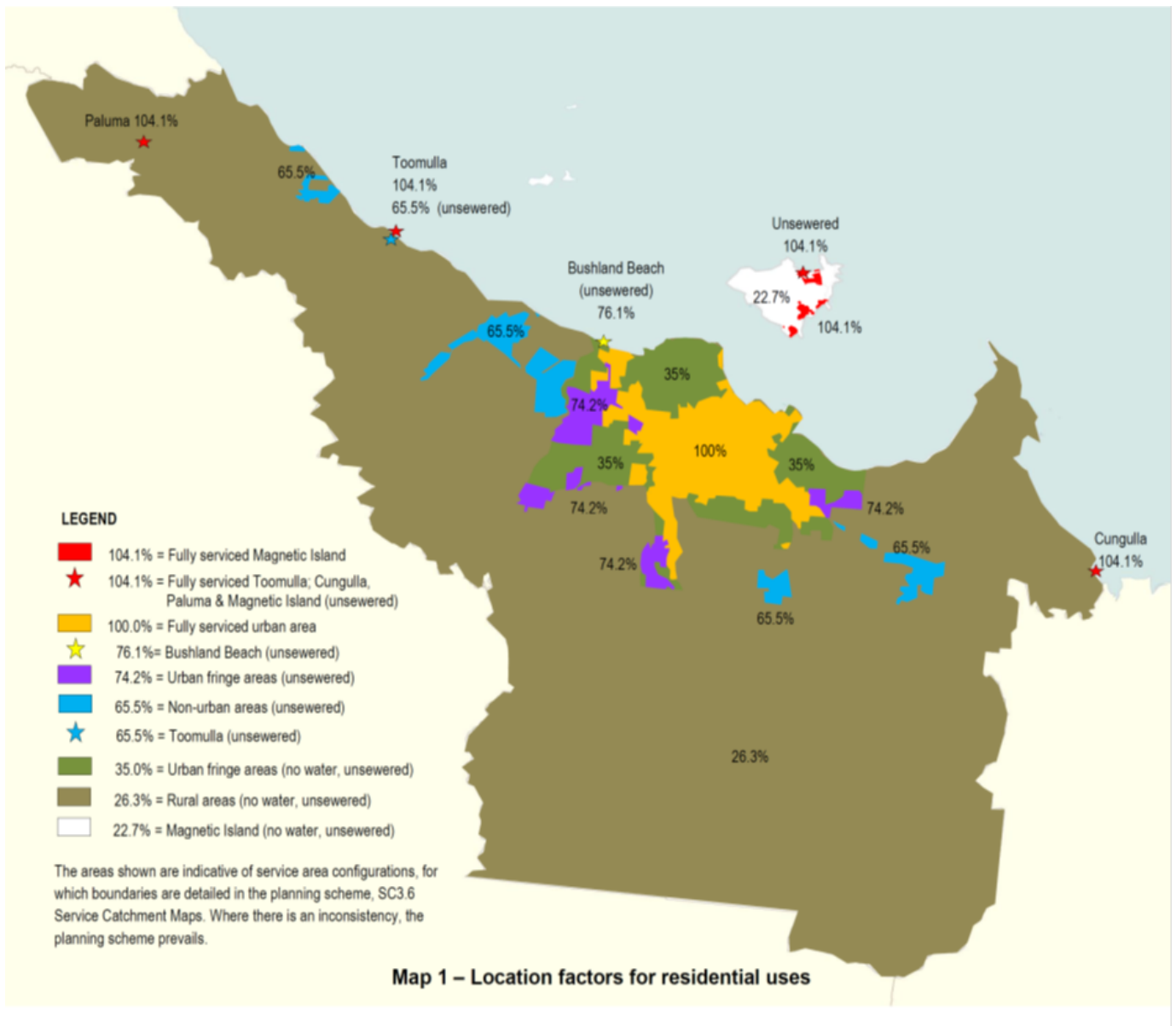
### Zoning legend

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

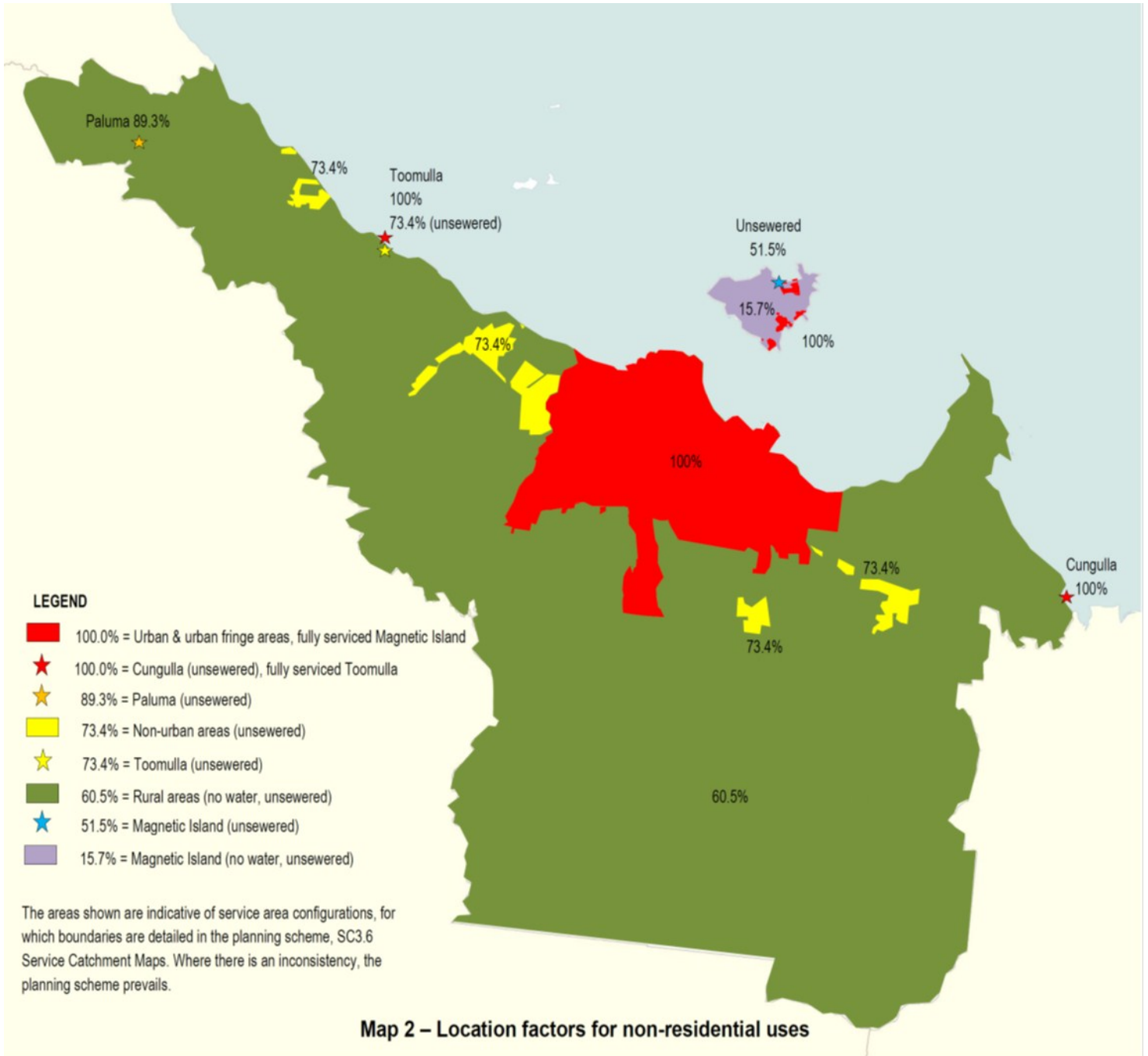


# Schedule 2 – Charge areas and location factors

## Residential Uses



# Non Residential Uses



### 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	17,300
		3 or more bedroom dwelling	
		on lots < 200m <sup>2</sup>	21,980
		on lots 201m <sup>2</sup> -299m <sup>2</sup>	24,530
		on lots 300m <sup>2</sup> -399m <sup>2</sup>	25,720
		on lots 400m <sup>2</sup> and greater	26,900
	Dwelling unit	1 bedroom dwelling	11,670
		2 bedroom dwelling	16,530
		3 or more bedroom dwelling	23,340
	Caretaker's accommodation (attached dwelling)	1 bedroom dwelling	11,670
		2 bedroom dwelling	16,530
		3 or more bedroom dwelling	23,340
	Caretaker's accommodation (detached dwelling)	1 or 2 bedroom dwelling	17,300
		3 or more bedroom dwelling	
		on lots < 200m <sup>2</sup>	21,980
		on lots 201m <sup>2</sup> -299m <sup>2</sup>	24,530
		on lots 300m <sup>2</sup> -399m <sup>2</sup>	25,720
		on lots 400m <sup>2</sup> and greater	26,900
	Multiple dwelling	1 bedroom dwelling	11,670
		2 bedroom dwelling	16,530
		3 or more bedroom dwelling	23,340
Dual occupancy	1 bedroom dwelling	11,670	
	2 bedroom dwelling	16,530	
	3 or more bedroom dwelling	23,340	
Accommodation (short term)	Hotel	1 bedroom (non-suite)	7,230
		1 bedroom (suite)	7,230
		2 bedroom suite	9,510
		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	6,280
		2 bedroom suite	8,870
		3 or more bedroom suite	12,510
	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)	13,750
		1 bedroom suite	13,750
		2 bedroom suite	17,810
		3 or more bedroom suite	26,900
	Rooming accommodation	1 bedroom (non-suite, < 6 beds)	14,470
		1 bedroom (non-suite, 6 or more beds)	*
		1 bedroom suite	7,790
		2 bedroom suite	10,470
		3 or more bedroom suite	14,470
	Relocatable home park	1 bedroom dwelling site	11,670
		2 bedroom dwelling site	16,530
		3 or more bedroom dwelling site	23,340
	Retirement facility	1 bedroom (non-suite)	8,120
		1 bedroom suite	11,670
		2 bedroom suite	16,530
		3 or more bedroom suite	23,340
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
	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

(1) Use category	(2) Use	(3) Charge category	(4) Base charge (\$)
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 Qld 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

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 6 of the council minutes (page 8190) where council resolved that the committee recommendation be adopted.**