

Moreton Bay Regional Council Infrastructure Charges Resolution Implementation Policy

February 2016





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Part 1 Introduction

1. Short title

This document, known as the Moreton Bay Regional Council Infrastructure Charges Resolution Implementation Policy, can be cited as ICR Implementation Policy.

2. Intent

The purpose of the ICR Implementation Policy is to state the policy position of the Local Government in relation to the application, interpretation and implementation of the Moreton Bay Regional Council Infrastructure Charges Resolution (No 4) 2016 (the Resolution), to create a consistent and transparent approach to infrastructure charging.

The intent is to update the ICR Implementation Policy regularly, at least yearly, to provide a clear policy position of the consistent approach to infrastructure charging. This ICR Implementation Policy is to be read together with the Resolution.

A term used in the ICR Implementation Policy has the meaning assigned to that term in accordance with section 4 of the Resolution.

The Resolution supersedes all previous resolutions relating to infrastructure charging, including, but not limited to, the following:

- i. Adopted Charges Resolution for that part of Council's Local Government Area covered by Caboolture Shire Plan;
- ii. Adopted Charges Resolution for that part of Council's Local Government Area covered by PineRiversPlan;
- iii. Adopted Charges Resolution for that part of Council's Local Government Area covered by Redcliffe City Planning Scheme 2005;
- iv. Co-ordination committee meeting 16 March 2010 relating to dependant person's accommodation;
- v. Co-ordination committee meeting 13 April 2010 relating to the implementation of 2009 Infrastructure Charges Policies;
- vi. Co-ordination committee meeting 22 February 2011 relating to Trunk Planning Scheme Policy Implementation: Offsetting demands for developer provided infrastructure;
- vii. Strategic and Planning meeting 21 June 2011 relating to Adopted Infrastructure Charges Resolution for the Moreton Bay Region;
- viii. Co-ordination committee meeting 28 June 2011 relating to Adopted Infrastructure Charges Resolution for the Moreton Bay Region;
- ix. Co-ordination committee meeting 8 November 2011 relating to Implementation of Council's Adopted Charges and related matters;
- x. Co-ordination committee meeting 11 December 2012 relating to Recognition of previous approval credits and offsets under Council's Adopted Infrastructure Charges Resolution.
- xi. Planning and Development meeting 8 July 2014 relating to Second Detached Houses.
- xii. Planning and Development meeting 21 January, 2014 relating to Adopted Infrastructure Charges Resolution for Accommodation Building (Fruit Picker Accommodation).
- xiii. Infrastructure Charges Resolution (No 2) 2015
- xiv. Infrastructure Charges Resolution (No 3) 2015



Part 2 Adopted Charges

3. Negotiations during the applicant's appeal period for a development approval

- (1) Concurrent with any written representations made by an applicant under section 361 of the Act about a matter stated in a decision notice during the applicant's appeal period, an assessment of any proposed changes to the development approval will be undertaken against the provisions of the Resolution as a part of any negotiations.
- (2) As a part of the Local Government's consideration of any representations made, if the representations are intended to be agreed to and will trigger either the need for additional trunk infrastructure to be constructed or a payment corresponding to additional trunk infrastructure costs, any decision in response to the representations will require the inclusion of additional conditions to the development approval requiring the construction of, or payment for, additional trunk infrastructure.
- (3) In accordance with section 364 of the Act, if the development approved as a result of the representations (stated in a Negotiated Decision Notice) is different from the development approved in the original decision notice in a way that affects the amount of the levied charge originally imposed, a new infrastructure charges notice reflecting that different charge will be issued reflecting the negotiated decision notice and called an Amended Infrastructure Charges Notice.

4. Application of the Resolution to applications for a permissible change and an extension of the relevant period

- (1) As part of the assessment of any request for:
 - a. a permissible change to an existing development approval; or
 - b. an extension to the relevant period of a development approval;an assessment of any resulting changes to the development approval (that may or may not be subject to a condition imposed under section 848 of the Act) and any associated infrastructure charges notice that might have been issued, will be undertaken against the provisions of the Resolution¹.
- (2) An Amended Infrastructure Charges Notice reflecting a different levied charge will be issued if a permissible change request is subsequently approved and it results in a development approval different from what was approved in the current development approval² in a way that would otherwise attract a different levied charge to the one that has been levied. The changes to the development approval may also result in the inclusion of additional conditions of development if those changes trigger the need for additional trunk infrastructure to be constructed or a payment corresponding to additional trunk infrastructure costs.
- (3) In the assessment of any request for an extension of the relevant period of a development approval, if the development approval is inconsistent with the levied

¹ If for example a permissible change to an existing development approval is to increase the GFA of a Warehouse, the Local Government will look at imposing an infrastructure charge for the additional GFA. For an extension to the relevant period, if when the development was approved it had a certain charge rate however since then the development now has a different charge rate, the Local Government will look at imposing the current charge rate instead of the original charge rate. In addition, pursuant to section 976B of the Act, the Local Government can delete a development condition imposed under section 848 of the Act regarding infrastructure charges and instead issue an infrastructure charges notice. However, given the application of section 959E of the Act, development conditions regarding water and sewerage infrastructure charges may need to be preserved in the absence of Unitywater being able to issue an infrastructure charges notice.

² Current development approval is the most recent approval and may be in the form of the original Decision Notice, a Negotiated Decision Notice that amended the original Decision Notice or a Notice previously issued under section 376 changing a previous Decision Notice or Negotiated Decision Notice.



charges which would be payable under the Resolution, either the request will be refused or the development approval will be amended to align with the levied charges which would be payable under the Resolution before or concurrent with the extension being given. The only exceptions to this are:

- a. No change to the contributions or charges payable will apply where any one of the following apply:
 - (a) the development is under construction and the Local Government is of the view that the subject development has progressed without undue delay and no previous extensions have been given and the request for an extension is limited to a maximum period of 12 months, or
 - (b) the development is under construction and the development has been delayed by circumstances beyond the control of the applicant and no previous extensions have been given and the request for an extension is limited to a maximum period of 12 months; or
 - (c) the total amount of a financial contribution or charge required by the approval has been paid before the extension is given.
- (4) A change from the contributions or charges previously payable to a levied charge under the Resolution will apply only for the networks listed in the existing development approval (based on an equal split of the levied charge over the Local Government Infrastructure Networks independent of the Distributor-retailer networks) where the following applies:
 - a. construction of the development has not commenced; and
 - b. no previous extensions to the relevant period have been granted; and
 - c. the request for an extension is limited to a maximum period of 12 months.
- (5) Where the Local Government has previously given an infrastructure charges notice, it may reissue the infrastructure charges notice as an Amended Infrastructure Charges Notice with any necessary amendments, including to the amount of the levied charge.

5. Application of the Resolution to short term and long term accommodation

- (1) The adopted charges in Schedule 3 of the Resolution are to be interpreted in the following way:
 - a. for Accommodation (short term) and Accommodation (long term), a room containing 3 or more beds (regardless of the bed size or form) constitutes a dormitory (Dormitory);
 - b. for Dormitory sleeping accommodation within Accommodation (short term) or Accommodation (long term):
 - (a) each bed (regardless of its size or form) constitutes half of a Bedroom, (eg. a room containing 4 separate beds is regarded as 2 Bedrooms), however:
 - a. a building containing no more than 4 beds (regardless of the bed size or form) constitutes a single applicable dwelling unit (1 or 2 Bedrooms);
 - b. a building containing 5 or 6 beds (regardless of the bed size or form) constitutes a single applicable dwelling unit (3 or more Bedrooms);
 - c. a building containing more than 6 beds (regardless of the bed size or form) is regarded as more than a single applicable dwelling unit. In such instances, each group of 6 beds constitutes a single applicable dwelling unit (3 or more bedrooms).



Part 3 Trunk Infrastructure

6. Trunk infrastructure

Trunk infrastructure is defined in the Priority Infrastructure Plan. Infrastructure items not listed in the Priority Infrastructure Plan are non-trunk infrastructure including, but not limited to:

- Infrastructure items required to service the development;
- External works to connect the development to the existing infrastructure networks;
- Linear linkage park;
- Bushland recreation park;
- Land for local drainage purposes, except land below 1% AEP interval required for trunk stormwater conveyance, in the river and creek system as mapped in Plans for Trunk Infrastructure for stormwater conveyance;
- Local stormwater works required to service the development and any associated land (land below the 1% AEP used for this purpose is non-trunk);
- Land required to be dedicated by the State (eg. Coastal Management District);
- Embellishments above the desired standards of service or the value in Section 13 (Table 2) below.



Part 4 Levied Charges

7. Application of levied charges

Any infrastructure charges notice for the levied charge is required by section 637 of the Act to include information relating to any applicable credits, offsets or refunds calculated in accordance with Part 5 below.

An applicant can apply to pay a levied charge to the Local Government by instalments under section 639 of the Act. The Local Government's policy regarding instalments is:

- i. An infrastructure agreement will need to be entered into which will lay out the terms and conditions for the alternative payment schedule;
- ii. Only for Material Change of Use applications;
- iii. The instalment payments will cover a time period of no greater than 3 years and will attract interest at the rate of borrowings from Queensland Treasury Corporation.

The time of payment for a combined Reconfiguration and Material Change of Use application is as determined by the Local Government, notified in the infrastructure charges notice.

The February 2016 ICR has introduced Building Work as a trigger for levying a charge. A charges notice will only be issued for Building Work where the related Material Change of Use is self-assessable under the planning scheme. Council is required to issue a charges notice within 20 business days of receiving a copy of the development approval from the building certifier.

There are two exceptions to this rule where no charge will be levied -

1. material change of use and/or carrying out building work which is for a dwelling house on an existing lot;
2. a change of use that is self-assessable, in an existing building and that does not increase the gross floor area (GFA).

Eligible non-profit community organisations and charitable groups can apply to the Local Government for a remission of infrastructure charges. Refer to the Local Government's website for the "Remission: Development Fees and Infrastructure Charges for Community Organisations and Charitable Groups" policy.

8. Automatic increase provision

An automatic increase, or indexing, of a levied charge can only occur to the level of the maximum adopted charge set by the SPRP. The levied charge cannot exceed the maximum adopted charge set by the SPRP at the time of payment. In the situation where the infrastructure charges notice issued at the time of the approval has a lower levied charge than the maximum adopted charge under the SPRP, the levied charge will be indexed by the PPI Index from the date of the approval to the time of the payment, or to the level of the maximum adopted charge in the SPRP, whichever is lesser.

The intent of this clause is for levied charges issued after 1 July, 2015.

9. Credits

The Resolution allows for a credit equivalent to a 3 bedroom dwelling on all sites, residential and non-residential, to take account of all previous contributions to the Local Government Infrastructure Networks.



The credits take into account the higher of the existing lawful uses, previous lawful uses or further uses which could be established without a further development permit.

For section 15 of the ICR, land contributions made under the former trunk infrastructure policies identified in Table 1 will be recognised where they meet the definition of trunk infrastructure under the ICR and the desired standard of service under the respective policy. In converting the land contribution to a financial contribution, Council will use a general valuation of the land at the time it was transferred, indexed to 1 July 2011 using the PPI Index (Brisbane). Discounts for constrained land will be incorporated as per Schedule 8 of the ICR.

The amount of the equivalent financial credit for the land contribution will be evenly distributed across the development as an amount per m² for the total developable area of the original development less the area of the land contribution, unless an alternate methodology is identified in a development approval related to the land.

Table 1 - Former Trunk Infrastructure Policies

	Policy	Year
PineRiversPlan	LP22 - Park Policy	2001
	PSP26 Development Contributions for Trunk Infrastructure - Local Community Purposes	2006
	PSP26 Development Contributions for Trunk Infrastructure - Open Space	2008
	PSP26 Open Space Development Contributions	2009
	2011 Adopted Infrastructure Charges Resolution (Open Space)	2011
Redcliffe City Plan	PSP4 Part 8.4.1 Development Contributions (Parkland Contributions)	2005
	PSP4 Part 8.4.3 Public Open Space Development Contributions	2009
	2011 Adopted Infrastructure Charges Resolution (Open Space)	2011
Caboolture Planning Scheme	PSP21C Open Space Development Contributions	2009
	2011 Adopted Infrastructure Charges Resolution (Open Space)	2011

The credit for previous payments will be applied to the networks relevant to the payment. For example, if previous payments were related to water and sewer contributions, the credit would not be applied to the local government levied charges. If the relevant networks are unknown, apply the 60% MBRC/40% Unitywater proportional split.

All examples below calculate the levied charges for the Local Government Infrastructure Networks only and for further information regarding the formulae refer to the Resolution.

Example 1 – Site X has detached house (3 bedroom), connected to all 5 networks. The MCU application for Site X is for six 2-bedroom units.

Levied charge calculation for Local Government networks:

$$LC = (AC_R \times Q_R) - C$$

Where

$$AC_R \times Q_R = (\$20,000 \times 60\% \times 6)$$



= \$72,000

Credit Calculation:

C = the greater of 3 bed dwelling or existing use or previous payments
= the greater of $(\$28,000 \times 60\%^1)$ or $(\$28,000 \times 60\%^1)$ or 0^2
= \$16,800

Resultant levied charge:

LC = $(AC_R \times Q_R) - C$
LC = $\$72,000 - \$16,800$
= \$55,200

Note 1: The 60% is consistent with the Break up agreement where all networks are provided.

Note 2: the previous payments would be indexed from the date of payment to the commencement of the SPRP (1 July, 2011).



Example 2 – Site Y is a large urban parcel (1 hectare) with an existing house, which is subdivided into 10 parcels and is connected to all 5 networks.

Levied charge calculation for Local Government networks:

$$LC = (AC_R \times Q_R) - C$$

Where

$$\begin{aligned} AC_R \times Q_R &= (\$28,000 \times 60\% \times 10) \\ &= \$168,000 \end{aligned}$$

Credit Calculation:

$$\begin{aligned} C &= \text{the greater of 3 bed dwelling or existing use or previous payments} \\ &= \text{the greater of } (\$28,000 \times 60\%^1) \text{ or } (\$28,000 \times 60\%^1) \text{ or } 0^2 \\ &= \$16,800 \end{aligned}$$

Resultant levied charge:

$$\begin{aligned} LC &= (AC_R \times Q_R) - C \\ LC &= \$168,000 - \$16,800 \\ &= \$151,200 \end{aligned}$$

One of the children lots from above (site Z) is vacant, is connected to all 5 networks. The MCU application for Site Z is for a duplex with 2 x 2-bedroom units.

Levied charge calculation for Local Government networks:

$$LC = (AC_R \times Q_R) - C$$

Where

$$\begin{aligned} AC_R \times Q_R &= (\$20,000 \times 60\% \times 2) \\ &= \$24,000 \end{aligned}$$

Credit Calculation:

$$\begin{aligned} C &= \text{the greater of 3 bed dwelling or existing use or previous payments} \\ &= \text{the greater of } (\$28,000 \times 60\%) \text{ or } 0 \text{ or } 0 \\ &= \$16,800 \end{aligned}$$

Resultant levied charge:

$$\begin{aligned} LC &= (AC_R \times Q_R) - C \\ LC &= \$24,000 - \$16,800 \\ &= \$7,200 \end{aligned}$$

Note 1: The 60% is consistent with the Break up agreement where all networks are provided.

Note 2: the previous payments would be indexed from the date of payment to the commencement of the SPRP (1 July, 2011).



Example 3 – Site B is a large vacant industrial zoned parcel (10 hectares), which is subdivided into 10 parcels and is connected to all 5 networks.

Levied charge calculation for Local Government networks:

$$LC = (AC_R \times Q_R) - C$$

Where

$$\begin{aligned} AC_R \times Q_R &= (\$28,000 \times 60\% \times 10) \\ &= \$280,000 \end{aligned}$$

Credit Calculation:

$$\begin{aligned} C &= \text{the greater of 3 bed dwelling or existing use or previous payments} \\ &= \text{the greater of } (\$28,000 \times 60\%) \text{ or 0 or } (\$28,000 \times 60\%) \\ &= \$16,800 \end{aligned}$$

Resultant levied charge:

$$\begin{aligned} LC &= (AC_R \times Q_R) - C \\ LC &= \$280,000 - \$16,800 \\ &= \$263,200 \end{aligned}$$

One of the children lots from above (site C) is vacant, is connected to all 5 networks. The MCU application for Site C is for a 1,000m² light industrial shed and an impervious area of 2,000m².

Levied charge calculation for Local Government networks:

$$LC = LC_{NR} + LC_{SW}$$

Where

$$\begin{aligned} LC_{NR} &= (\$50/m^2 \times 60\% \times 1000m^2) - C \\ &= \$30,000 \end{aligned}$$

$$\begin{aligned} LC_{SW} &= (\$10/m^2 \times 60\% \times 2000m^2) - C \\ &= \$12,000 \end{aligned}$$

Credit Calculation:

$$\begin{aligned} C &= \text{the greater of 3 bed dwelling or existing use or previous payments} \\ &= \text{the greater of } (\$28,000 \times 60\%) \text{ or 0 or } (\$28,000 \times 60\%) \\ &= \$16,800 \end{aligned}$$

Resultant levied charge:

$$\begin{aligned} LC &= (LC_{NR} + LC_{SW}) - C \\ LC &= \$30,000 + \$12,000 - \$16,800 \\ &= \$25,200 \end{aligned}$$

Note 1: The 60% is consistent with the Break up agreement where all networks are provided.

Note 2: the previous payments would be indexed from the date of payment to the commencement of the SPRP (1 July, 2011).



10. Calculation of previously paid infrastructure charges credits

Financial contributions previously paid for the site as a part of a previous development approval applying to the land, or as part of an offset transfer connected to the land, are calculated to relate to the current levied charges.

Example 4 – Site A has an offset transfer value linked with the land of \$30,000 (LG networks only). The MCU application for a vacant site, Site A, is for an industrial shed of 1,500 m² GFA, on a site of 3,500m², connected to all 5 networks.

Levied charge calculation:

$$\begin{aligned}
 LC &= LC_{NR} + LC_{SW} \\
 LC &= (1500m^2 \times \$50/m^2 \times 60\%) + (3,500m^2 \times 0.9 \text{ fraction impervious} \times \$10/m^2 \text{ imp} \times 60\%) \\
 &= \$45,000 + 18,900 \\
 &= \$63,900
 \end{aligned}$$

Credit Calculation:

$$\begin{aligned}
 C &= \text{the greater of 3 bed dwelling or existing use or previous payments} \\
 &= \text{the greater of } (\$28,000 \times 60\%) \text{ or } 0 \text{ or } \$30,000 \\
 &= \$30,000
 \end{aligned}$$

Resultant levied charge:

$$\begin{aligned}
 LC &= \$63,900 - \$30,000 \\
 &= \$33,900
 \end{aligned}$$

11. Examples of the calculation of credits

The enactment of the Breakup agreement for the calculation of credits is related to the networks servicing the development both currently and post development.

For the avoidance of doubt, the calculation of credits for Local Government networks is based on the networks servicing the development when completed, not the number of networks present at the time of the application.

Examples of the calculation of the charges levied by the Local Government in an infrastructure charges notice are shown below to provide guidance.

Example 5 – all networks serviced now and into future

Application: Reconfigure a vacant lot into two residential lots.

Existing networks: All – parks, transport, stormwater, water, sewer

Future networks: All – parks, transport, stormwater, water, sewer

Levied charge calculation:

$$LC_{RAL} = (AC_{RAL} \times Q_{RAL}) - C$$

Where

$$\begin{aligned}
 AC_{RAL} \times Q_{RAL} &= (\$28,000 \times 2 \times 60\%) \\
 &= \$33,600
 \end{aligned}$$

Credit Calculation:

$$C = \text{A vacant lot} = 3 \text{ bedroom dwelling} = \$28,000 \times 60\% = \$16,800$$

Resultant levied charge:

$$\begin{aligned}
 LC_{RAL} &= (AC_{RAL} \times Q_{RAL}) - C \\
 &= \$33,600 - \$16,800 \\
 &= \$16,800
 \end{aligned}$$



Example 6 – 4 networks

Application: Reconfigure a vacant lot into two residential lots.

Existing networks: no sewer – connected to parks, transport, stormwater, water

Future networks: no sewer – connected to parks, transport, stormwater, water

Levied charge calculation:

$$LC_{RAL} = (AC_{RAL} \times Q_{RAL}) - C$$

Where

$$\begin{aligned} AC_{RAL} \times Q_{RAL} &= (\$28,000 \times 2 \times 90\%) \\ &= \$50,400 \end{aligned}$$

Credit Calculation:

$$\text{A vacant lot} = 3 \text{ bedroom dwelling} = \$28,000 \times 90\% = \$25,200$$

Resultant levied charge:

$$\begin{aligned} LC_{RAL} &= (AC_{RAL} \times Q_{RAL}) - C \\ &= \$50,400 - \$25,200 \\ &= \$25,200 \end{aligned}$$

Example 7 – 3 networks

Application: Reconfigure a vacant lot into two residential lots.

Existing networks: no water or sewer – connected to parks, transport, stormwater

Future networks: no water or sewer – connected to parks, transport, stormwater

Levied charge calculation:

$$LC_{RAL} = (AC_{RAL} \times Q_{RAL}) - C$$

Where

$$\begin{aligned} AC_{RAL} \times Q_{RAL} &= (28,000 \times 2) \\ &= \$56,000 \end{aligned}$$

Credit Calculation:

$$\text{A vacant lot} = 3 \text{ bedroom dwelling} = \$28,000$$

Resultant levied charge:

$$\begin{aligned} LC_{RAL} &= (AC_{RAL} \times Q_{RAL}) - C \\ &= \$56,000 - \$28,000 \\ &= \$28,000 \end{aligned}$$

Example 8 – 4 networks currently, 5 networks post-development

Application: Reconfigure a vacant lot into two residential lots.

Existing networks: no sewer – connected to parks, transport, stormwater, water

Future networks: all – connected to parks, transport, stormwater, water and sewer

Levied charge calculation:

$$LC_{RAL} = (AC_{RAL} \times Q_{RAL}) - C$$

Where

$$\begin{aligned} AC_{RAL} \times Q_{RAL} &= (\$28,000 \times 2 \times 60\%) \\ &= \$33,600 \end{aligned}$$

Credit Calculation:

$$\text{A vacant lot} = 3 \text{ bedroom dwelling} = \$28,000 \times 60\% = \$16,800$$

Resultant levied charge:

$$\begin{aligned} LC_{RAL} &= (AC_{RAL} \times Q_{RAL}) - C \\ &= \$33,600 - \$16,800 \\ &= \$16,800 \end{aligned}$$



Example 9 – 3 networks currently, 4 networks post-development

Application: Reconfigure a vacant lot into two residential lots.

Existing networks: no water or sewer – connected to parks, transport, stormwater

Future networks: no sewer – connected to parks, transport, stormwater, water

Levied charge calculation:

$$LC_{RAL} = (AC_{RAL} \times Q_{RAL}) - C$$

Where

$$\begin{aligned} AC_{RAL} \times Q_{RAL} &= (\$28,000 \times 2 \times 90\%) \\ &= \$50,400 \end{aligned}$$

Credit Calculation:

$$A \text{ vacant lot} = 3 \text{ bedroom dwelling} = \$28,000 \times 90\% = \$25,200$$

Resultant levied charge:

$$\begin{aligned} LC_{RAL} &= (AC_{RAL} \times Q_{RAL}) - C \\ &= \$50,400 - \$25,200 \\ &= \$25,200 \end{aligned}$$

Example 10 – 3 networks currently, 5 networks post-development

Application: Reconfigure a vacant lot into two residential lots.

Existing networks: no water or sewer – connected to parks, transport, stormwater

Future networks: all – connected to parks, transport, stormwater, water and sewer

Levied charge calculation:

$$LC_{RAL} = (AC_{RAL} \times Q_{RAL}) - C$$

Where

$$\begin{aligned} AC_{RAL} \times Q_{RAL} &= (\$28,000 \times 2 \times 60\%) \\ &= \$33,600 \end{aligned}$$

Credit Calculation:

$$A \text{ vacant lot} = 3 \text{ bedroom dwelling} = \$28,000 \times 60\% = \$16,800$$

Resultant levied charge:

$$\begin{aligned} LC_{RAL} &= (AC_{RAL} \times Q_{RAL}) - C \\ &= \$33,600 - \$16,800 \\ &= \$16,800 \end{aligned}$$



Part 5 Offset and refund for trunk infrastructure

12. Establishment cost

The initial calculation of the value of trunk infrastructure conditioned to be constructed is included in the infrastructure charges notice and is equal to the establishment cost in the Schedule of Works in the Priority Infrastructure Plan, or part of this value if the total project is not required to be constructed in the relevant condition. Where the Local Government has undertaken further or more detailed works, the resultant establishment cost may also be applied.

The initial calculation of the value of trunk infrastructure land is to be included in the ICN and is equal to the establishment cost in Appendix 1.

An applicant may apply for a re-calculation of the establishment cost in the Resolution by following the process outlined in Schedule 4 of the Resolution for a land contribution or Schedule 5 of the Resolution for a work contribution.

13. Contingency allowance for project costs

Contingency in infrastructure cost estimating is an allowance for the risks and uncertainties related to the estimate. It is applied to supply and construction elements of project costs to provide a total amount that should not be exceeded for the project (i.e. reduce the risk of project cost overrun). It can be applied as a blanket percentage to the cost estimate or to selected cost items within the cost schedule as well as placing a cost against selected calculated risks. The most common (and least scientific) method is placing a percentage on the total cost estimate. By definition, the contingency amount applied to preliminary estimates will be higher than that applied to construction cost estimates where a design has been produced, the scope of the works is well defined and only limited uncertainties exist.

The contingency allowance will decrease as the project becomes more defined. Typical industry accepted contingency allowances for small projects are as follows:

Phase	Contingency
Concept	20% or more*
Planning and preliminary design	10 to 15%
Detailed design & specification /pre-tender	5 to 8%
Construction	3 to 5%

*Note * - a more detailed assessment may be appropriate*

Source: Australian Journal of Construction and Building, Vol 3, No.1

At the construction stage the cost of design, supervision and project management will be known due to the defined scope of the work. Consequently, the contingency amount will generally only be applied to cater for risks and unknowns inherent in the type of construction. For example, bridge construction involving deep foundations may still involve considerable uncertainty with regard to that component of the project, but well defined and low risk components such as the superstructure will have very little risk and uncertainty.

The Statutory Guideline 03/14 defines the level of contingency to be applied when determining establishment costs in the SOW model. These percent applied for the purpose of contingency diminishes as more detailed understanding of project evolves, most attributes become more certain



and the risks are more able to be quantified. These rates are applied base on the proposed year of delivery and are applied to all types of infrastructure.

With regard to determining trunk infrastructure offset amounts these should be based on either pre-tender or construction cost estimates with possibly a 3% to 8% contingency allowance dependent on the known risks and uncertainties.

14. Offsets

The establishment cost of:

- (i) the works contribution for the construction of trunk infrastructure; and/or
- (ii) land contributions required as trunk infrastructure;

attracts an offset of the levied charge. Offsets are not given for non-trunk infrastructure.

A land contribution in the open space network is transferred as land in fee simple on trust. At the endorsement of the survey plan, a solicitor's undertaking is to be submitted to ensure the land is transferred to the Local Government.

The embellishment of open space is limited to the values listed in Table 2 to ensure a sustainable level of whole of life costs is delivered. The embellishments must meet the requirements of the desired standards of service.

Table 2: Embellishment value

Park Type	Maximum embellishment offset value
Local Recreation Park	\$267,000
District Recreation Park	\$1,365,390
Regional Recreation Park	\$5,476,085
District Sportsground	\$24,000,000
Regional Sportsground	\$72,000,000

Land within the river and creek system will be considered trunk for stormwater conveyance purposes only where:

- Consistent with the definition of trunk infrastructure; and
- Within the 1% AEP interval or a thirty (30) metre riparian buffer from the top of bank, whichever is greater, of the river and creek system mapped in the Plans for Trunk Infrastructure for stormwater in the Priority Infrastructure Plan.

In these limited instances where an offset is applicable for land is to be dedicated to the crown for drainage reserve, the offset will be identified on the infrastructure charges notice, and calculated in accordance with Appendix 1, excluding any land area containing non-trunk infrastructure.

The construction of trunk road infrastructure is limited to the trunk items contained in the corridor including associated trunk intersections, traffic lights, lighting, bridges, culverts, kerb and channel, road drainage, pathways and cycle lanes, but excluding the provision of services such as electrical, telecommunications, water and sewer under the carriageway.

15. Refunds

The Act (section 649) requires the Local Government to refund the excess between the value of the establishment cost and the levied charges for necessary trunk infrastructure. The applicant is to provide a notice to the Local Government stating the constructed asset has reached on-



maintenance, or in the case of land, the plan of subdivision and any associated transfer documents are registered in the titles office. The refund, equal to the value of the establishment cost as detailed in the infrastructure charges notice, will be paid to the applicant within 30 business days of receipt of the notice.

An applicant may apply to the Local Government to consider alternatives to the payment of a refund, such as a transfer to another development site. In limited circumstances, where the Local Government agrees with the request from the applicant, an infrastructure agreement will lay out the terms and conditions for the alternative arrangements.

16. Conversion applications

An application for conversion of non-trunk infrastructure to trunk infrastructure is to be considered to ensure:

- i. The development approval requires the construction of non-trunk infrastructure;
- ii. The construction has not commenced;
- iii. All the conversion criteria in Section 19 of the Resolution have been met;
- iv. The infrastructure must meet the DSS and the definition of trunk infrastructure as defined in the Priority Infrastructure Plan); and
- v. The process in the Act (sections 658 to 662) is followed.

17. Development outside the PIA

For development outside the PIA, consider:

- The non-trunk infrastructure required to connect the development to the networks;
- The trunk infrastructure required to service the development, both necessary and additional (refer to section 645 to 649 of SPA); and
- Appropriate conditions for additional trunk infrastructure costs (refer to section 650 of SPA).



Appendix 1: Initial valuation of establishment cost (land contribution)

Definitions for Appendix 1:

“**Constrained land**” means land which, prior to the completion of any works to ameliorate the constraining effects, falls within one or more of the following categories or demonstrates at least one of the following features:

- a) the land is subject to inundation resulting from the runoff of a 1% annual chance average recurrence interval storm over the fully developed stormwater catchment in which it is located;
- b) the development of the land is significantly constrained by environmental legislation related to vegetation management, nature conservation, natural coastal processes or koala conservation such that its intended public use purpose is adversely affected;
- c) the land contains or is to contain development infrastructure such that its intended public use purpose is adversely affected (eg. Stormwater basin or sewerage pump station);
- d) the land is located within a registered easement for power transmission lines or similar development restricting purposes;
- e) the land contains a waterbody;
- f) the land is required for the attenuation of noise, vibration or other hazards pursuant to the impact mitigating provisions of current legislation; or
- g) the land has a surface slope in excess of 25%.

“**Residential area**” means land within an Emerging community zone, General residential zone or Rural residential zone in the MBRC Planning Scheme.

Land valuation methodology

- (1) For land within a Residential Area, the steps involved in establishing land values for land contributions are as follows:
 - (a) establish the suburb in which the land contribution item is located; and
 - (b) establish those parts of the land contribution item that are likely to be inundated by flood water for the 1% annual chance threshold events using the flood mapping available on the Local Government’s website; and
 - (c) establish the extent of the land contribution item that is constrained land; and
 - (d) using Table S1.1, determine the land value for each component of the required land contribution item corresponding to the constraint thresholds listed in that table and aggregate the value of each of those components to determine the overall value of that item.



Table S1.1 Suburb based land values (June Qtr 2015)

SUBURBS	LAND VALUES PER M ²	
	A	B
	Unconstrained Land	Constrained Land
ALBANY CREEK	\$150.00	\$5.00
ARANA HILLS	\$175.00	\$5.00
ARMSTRONG CREEK	\$3.00	\$2.00
BANKSIA BEACH	\$75.00	\$5.00
BEACHMERE	\$45.00	\$5.00
BELLARA	\$60.00	\$5.00
BELLMERE	\$60.00	\$5.00
BELLTHORPE	\$3.00	\$1.00
BONGAREE	\$60.00	\$5.00
BOOROOBIN	\$3.00	\$2.00
BRACALBA	\$3.00	\$2.00
BRAY PARK	\$120.00	\$5.00
BRENDALE	\$120.00	\$5.00
BUNYA	\$5.00	\$3.00
BURPENGARY	\$80.00	\$5.00
CABOOLTURE	\$80.00	\$5.00
CABOOLTURE SOUTH	\$80.00	\$5.00
CAMP MOUNTAIN	\$10.00	\$3.00
CAMPBELLS POCKET	\$4.00	\$2.00
CASHMERE	\$50.00	\$5.00
CEDAR CREEK	\$5.00	\$2.00
CEDARTON	\$2.00	\$1.00
CLEAR MOUNTAIN	\$5.00	\$2.00
CLONTARF	\$150.00	\$7.50
CLOSEBURN	\$5.00	\$2.00
COMMISSIONERS FLAT	\$3.00	\$2.00
D'AGUILAR	\$5.00	\$2.00
DAKABIN	\$100.00	\$5.00
DAYBORO	\$20.00	\$5.00
DECEPTION BAY	\$110.00	\$5.00
DELANEY'S CREEK	\$5.00	\$2.00
DONNYBROOK	\$10.00	\$3.00
DRAPER	\$5.00	\$3.00
EATONS HILL	\$120.00	\$5.00
ELIMBAH	\$10.00	\$3.00
EVERTON HILLS	\$200.00	\$5.00
FERNY HILLS	\$150.00	\$5.00
GODWIN BEACH	\$60.00	\$5.00
GRIFFIN	\$120.00	\$5.00
HIGHVALE	\$5.00	\$2.00
JOYNER	\$80.00	\$5.00
KALLANGUR	\$120.00	\$5.00
KING SCRUB	\$5.00	\$2.00
KIPPA RING	\$130.00	\$7.50
KOBBLE CREEK	\$3.00	\$2.00
KURWONGBAH	\$5.00	\$3.00
LACEYS CREEK	\$2.00	\$1.00
LAWNTON	\$120.00	\$5.00



SUBURBS	LAND VALUES PER M ²	
	A	B
	Unconstrained Land	Constrained Land
MANGO HILL	\$120.00	\$5.00
MARGATE	\$150.00	\$7.50
MELDALE	\$10.00	\$3.00
MOODLU	\$5.00	\$3.00
MOORINA	\$5.00	\$2.00
MORAYFIELD	\$80.00	\$5.00
MOUNT DELANEY	\$3.00	\$2.00
MOUNT GLORIOUS	\$5.00	\$2.00
MOUNT MEE	\$3.00	\$1.00
MOUNT NEBO	\$5.00	\$2.00
MOUNT PLEASANT	\$3.00	\$1.00
MOUNT SAMSON	\$5.00	\$2.00
MURRUMBA DOWNS	\$120.00	\$5.00
NARANGBA	\$90.00	\$5.00
NEURUM	\$2.00	\$1.00
NEWPORT	\$150.00	\$7.50
NINGI	\$60.00	\$5.00
NORTH LAKES	\$150.00	\$5.00
OCEAN VIEW	\$5.00	\$2.00
PETRIE	\$110.00	\$5.00
REDCLIFFE	\$200.00	\$7.50
ROCKSBERG	\$40.00	\$5.00
ROTHWELL	\$125.00	\$7.50
SAMFORD VALLEY	\$5.00	\$2.00
SAMFORD VILLAGE	\$20.00	\$5.00
SAMSONVALE	\$5.00	\$2.00
SANDSTONE POINT	\$75.00	\$5.00
SCARBOROUGH	\$150.00	\$7.50
STANMORE	\$3.00	\$1.00
STONEY CREEK	\$2.00	\$1.00
STRATHPINE	\$120.00	\$5.00
TOORBUL	\$60.00	\$3.00
UPPER CABOOLTURE	\$60.00	\$5.00
WAMURAN	\$10.00	\$3.00
WAMURAN BASIN	\$4.00	\$2.00
WARNER	\$80.00	\$5.00
WELSBY	\$2.00	\$1.00
WHITEPATCH	\$60.00	\$5.00
WHITESIDE	\$5.00	\$3.00
WIGHTS MOUNTAIN	\$5.00	\$3.00
WOODFORD	\$5.00	\$2.00
WOODY POINT	\$150.00	\$7.50
WOORIM	\$100.00	\$3.00
YUGAR	\$5.00	\$3.00

Note: this table will be updated by the Local Government annually to reflect land indexation over the previous financial year.

- (2) The steps involved to establish the establishment cost of land contribution for commercial or industrial land are as follows:
 - (a) establish the suburb in which the land contribution item is located; and



- (b) establish those parts of the land contribution item that are likely to be inundated by flood water for the 1% annual chance threshold events using the flood mapping available on the Local Government's website; and
- (c) establish the extent of the land contribution item that is constrained land; and
- (d) using Table S1.2, Table S1.3 or Table S1.4, determine the land value for each component of the required land contribution item corresponding to the constraint thresholds listed in that table and aggregate the value of each of those components to determine the overall value of that item.

Table S1.2 Higher order centre land valuations (June Qtr 2015)

HIGHER ORDER CENTRES	LAND VALUES PER M ²	
	A	B
	Unconstrained Land	Constrained Land
CABOOLTURE	\$300.00	\$10.00
MORAYFIELD	\$300.00	\$10.00
NORTH LAKES CORE	\$400.00	\$10.00
NORTH LAKES FRAME	\$300.00	\$10.00
REDCLIFFE-KIPPA-RING	\$350.00	\$10.00
STRATHPINE	\$300.00	\$10.00

Table S1.3 District centre land valuations (June Qtr 2015)

DISTRICT CENTRES	LAND VALUES PER M ²	
	A	B
	Unconstrained Land	Constrained Land
ALBANY CREEK	\$350.00	\$10.00
ARANA HILLS	\$350.00	\$10.00
BELLARA	\$250.00	\$10.00
BURPENGARY	\$300.00	\$10.00
DECEPTION BAY	\$250.00	\$10.00
KALLANGUR	\$250.00	\$10.00
MARGATE	\$300.00	\$10.00
PETRIE	\$250.00	\$10.00
WARNER	\$250.00	\$10.00

Table S1.4 Major industrial areas (June Qtr 2015)

MAJOR INDUSTRIAL ESTATES	LAND VALUES PER M ²	
	A	B
	Unconstrained Land	Constrained Land
BRENDALE	\$150.00	\$10.00
BURPENGARY	\$100.00	\$10.00
CABOOLTURE	\$100.00	\$10.00
CLONTARF	\$150.00	\$10.00
LAWNTON	\$150.00	\$10.00
NARANGBA	\$100.00	\$10.00