



Moreton Bay Regional Council
Charges Resolution Implementation
Policy

14 August 2018

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Part 1 Introduction

1. Short title

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

2. Intent

The purpose of the CR 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 Charges Resolution (No 8) 2018 (the Resolution), to create a consistent and transparent approach to infrastructure charging.

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

A term used in the CR 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. Coordination committee meeting 16 March 2010 relating to dependant person's accommodation;
- v. Coordination committee meeting 13 April 2010 relating to the implementation of 2009 Infrastructure Charges Policies;
- vi. Coordination 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 Charges Resolution for the Moreton Bay Region;
- viii. Coordination committee meeting 28 June 2011 relating to Adopted Charges Resolution for the Moreton Bay Region;
- ix. Coordination committee meeting 8 November 2011 relating to Implementation of Council's Adopted Charges and related matters;
- x. Coordination committee meeting 11 December 2012 relating to Recognition of previous approval credits and offsets under Council's Adopted Charges Resolution;

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- xi. Planning and Development meeting 8 July 2014 relating to Second Detached Houses;
- xii. Planning and Development meeting 21 January, 2014 relating to Adopted Charges Resolution for Accommodation Building (Fruit Picker Accommodation);
- xiii. Charges Resolution (No 2) 2015;
- xiv. Charges Resolution (No 3) 2015;
- xv. Charges Resolution (No 4) 2016;
- xvi. Charges Resolution (No 5) 2016; and
- xvii. Charges Resolution (No 6) 2017
- xviii. Charges Resolution (No 7) 2018

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 75 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 the need for trunk infrastructure that has not previously been identified in the Decision Notice or a condition requiring the payment of extra trunk infrastructure costs, new conditions will be applied to the Negotiated Decision Notice.
- (3) In accordance with section 76 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 a replacement infrastructure charges notice.

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

- (1) As part of the assessment of any application for:

- (a) A change to an existing development approval; or
- (b) an extension to the currency 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 repealed *Sustainable Planning Act 2009*) and any associated infrastructure charges notice that might have been issued, will be undertaken against the provisions of the Resolution.¹

- (2) An amended infrastructure charges notice reflecting a different levied charge will be issued if a change application 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

¹ If for example a 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 currency 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 the repealed *Sustainable Planning Act 2009*, the Local Government can delete a development condition regarding infrastructure charges and instead issue an infrastructure charges notice. However, 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 of the Act changing a previous Decision Notice or Negotiated Decision Notice.

development approval if those changes trigger the need for additional trunk infrastructure to be constructed or a payment corresponding to extra trunk infrastructure costs.

- (3) In the assessment of any application for an extension of the currency period of a development approval, if the development would attract higher levied charges under the current Resolution to those which would be payable under the existing infrastructure contributions conditions or infrastructure charges notice, 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 current Resolution before or concurrent with the extension being approved. 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, 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, 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 currency 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

For calculating applicable infrastructure charges for Accommodation (short-term) within a tourist park, using the adopted charges in Schedule 3 of the Resolution a site for a tent is an area accommodating up to 2 tents and a site for caravans is an area accommodating a single caravan.

Part 3 Trunk Infrastructure

6. Trunk Infrastructure

Table 1 outlines the items which constitute trunk infrastructure for each of the networks in the Local Government Infrastructure Plan.

Table 1 Trunk infrastructure

Network	Trunk Infrastructure Items
Water Supply Network	As stated in Netserv Plan
Sewerage Network	As stated in Netserv Plan
Stormwater Network	<p>(1) Riparian Corridors:</p> <ul style="list-style-type: none"> • Land within the Priority Infrastructure Area that is used for stormwater conveyance and quality purposes that fully contains the 1% AEP flows and extends to at least thirty (30) metres out from the top of the geomorphic stream bank³. <p>(2) Quantity:</p> <ul style="list-style-type: none"> • Detention basins, pipes, headwalls and culverts for the conveyance of major stormwater flows including any necessary land component, where not required to meet planning scheme requirements for managing on-site impacts as a result of development or stormwater overland flow paths for upstream properties. <p>(3) Quality:</p> <ul style="list-style-type: none"> • Works for catchment-wide stormwater treatment, ie; not required as a development specific measure to achieve compliance with other planning scheme requirements, and as identified in the Moreton Bay Regional Council Total Water Cycle Management Implementation Plan (2013). <p>Excludes all stormwater infrastructure required to meet the internal development requirements for the site as required by the State Planning Policy, Moreton Bay Regional Council Planning Scheme or similar.</p>
Transport Network	<p>(1) The road components of the transport network:</p> <ul style="list-style-type: none"> • Limited access district collector roads carrying greater than 3,500 vehicles per day in any one direction; • Sub-arterial roads; and

³ **Stream Bank**

Very short or very wide slope, moderately inclined to precipitous, forming the marginal upper parts of a stream channel and resulting from erosion or aggradation by channelled stream flow. (McDonald et. al. 1990, pg. 35).

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Network	Trunk Infrastructure Items
	<ul style="list-style-type: none"> • Arterial roads (excluding State Controlled Roads) including Arterial Main Streets. <p>(2) The strategic pathway components of the transport network:</p> <ul style="list-style-type: none"> • the primary and secondary active transport network of formed, multi-function pathways serving a district or regional function and intended for use by commuter and recreational cyclists, walkers and runners, but excluding those pathways designated as recreational trails. Includes associated lighting, culverts, bridges, surface marking, directional and information signage.
Public parks and land for Community Facilities Network	<p>(1) Sports parks:</p> <ul style="list-style-type: none"> • Regional level; and • District level; and <p>Includes associated embellishments such as sports fields, shade structures, lighting and car parking.</p> <p>(2) Recreation parks:</p> <ul style="list-style-type: none"> • Regional level including Regional Civic Park and Regional Foreshore Park; • District level, including District Civic Park and District Foreshore Park; and • Local Parks (including Foreshore), serving more than 350 dwellings, meeting the DSS; <p>Includes associated embellishments such as shade structures and playgrounds.</p> <p>(3) Land for Community Facilities:</p> <ul style="list-style-type: none"> • Regional; and • District; and • Local; and • Includes minor works associated with making land suitable for its intended use (i.e. grass, service connection), but excludes buildings and other embellishments.

Infrastructure items that are not trunk infrastructure include, but are not limited to:

- Infrastructure items required solely to service a single development;
- External works that connect a single development to external infrastructure;
- Linear linkage park;

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- Bushland recreation park;
- Stormwater works required to service a single development or works required to manage stormwater flows through a site in accordance with the Planning Scheme requirements and any associated land;
- Land required to be dedicated to the State (eg. Erosion Prone Land);
- Embellishments above the desired standards of service or the value in section 14 (Table 4) below; and
- Intersection works that are not between two trunk roads eg. Intersection works between a Local Collector road and a Sub-arterial road.

Part 4 Levied Charges

7. Application of levied charges

Any infrastructure charges notice for the levied charge is required by section 121 of the Act to include information relating to any applicable credits, offsets or refunds calculated in accordance with Part 5 below.

An applicant can seek agreement to pay a levied charge to the Local Government by instalments under section 123 of the Act. The Local Government's policy on the payment of levied charges by instalments is:

- i. An applicant must enter into an infrastructure agreement which will specify the terms and conditions for the alternative payment schedule;
- ii. A request for instalment payments will only be considered where the charge is associated with a Material Change of Use development application; and
- iii. The period over which payment by instalments can occur is not to extend beyond 3 years after the day that payment would otherwise be required under section 122 of the Act; and
- iv. Interest will be payable on the balance owing after the day that payment would otherwise be required under section 122 of the Act, equivalent to the 3 year Queensland Treasury Corporation (QTC) borrowing rate, plus 2% p.a. The rate is set on 1 July each year, and applies to all payment plans entered into until 30 June the following year. The rate for each payment plan does not change during the time the payment plan is in place. Each payment instalment consists of Principal and Interest components as per the agreed payment plan.

The time for payment of a levied charge for a combined Reconfiguring a lot and Material Change of Use approval will be determined by the Local Government according to the scale of the development and will be stated in the infrastructure charges notice.

The February 2016 CR introduced Building Work as a trigger for levying a charge. An infrastructure charges notice will only be issued for Building Work where the related Material Change of Use is development categorised as accepted subject to requirements under the MBRC Planning Scheme. Council is required to issue an infrastructure 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 categorised as accepted development subject to requirements under the MBRC Planning Scheme, 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 occur, but the increased charge must not exceed the maximum adopted charge allowable under the Act 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 allowable under the Act, 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 allowable under the Act, whichever is lesser.

This clause only has effect for charges levied after 1 July, 2015.

9. Credits

The Resolution allows for a credit to be given for existing rights that have not been exercised, previous uses that had been lawfully established on the land and all previous contributions for the Local Government Infrastructure Networks.

If the land is vacant, a credit equivalent to a 3 bedroom dwelling will be allowed regardless of the fact that it may not be residential land.

The allowable credit is the higher of these potential credits.

For the CR, land contributions made under the former trunk infrastructure policies identified in Table 2 will be recognised where they meet the definition of trunk infrastructure 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 in accordance with the PPI Index to the date the new application was properly made, excluding indexation for the period between 1 July 2011 and 30 June 2015. However, the financial contribution will be discounted for constrained land in the manner indicated in Appendix 1: Establishment cost (land contribution).

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 2 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
Redcliffe City Plan	PSP4 Part 8.4.1 Development Contributions (Parkland Contributions)	2005
	PSP4 Part 8.4.3 Public Open Space Development Contributions	2009
Caboolture Planning Scheme	PSP21C Open Space Development Contributions	2009

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The credit for previous payments will only be applied to these networks relevant to the payment. For example, if previous payments were made for the 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 apply solely to the levied charges for the Local Government Infrastructure Networks. For further information regarding the formulae refer to the Resolution. All examples in sections 9, 10 and 11 are based on the maximum adopted charges in the State Planning Regulatory Provision (adopted charges) as at the 1 July 2015. Refer to Schedule 3 of the Resolution for the current adopted charges.

The following notes are relevant to the examples listed in sections 9, 10 and 11:

- Note 1: The percentages used in the following examples reflect the break-up shown in Table 4 of the CR (eg; 60% is the proportion of the adopted charge allocated to MBRC where all infrastructure networks are available to the premises.
- Note 2: All credits applied under these examples will be subject to indexation in accordance with the PPI Index (excluding indexation for the period between 1 July 2011 and the 30 June 2015)
- Note 3: A 3 bedroom dwelling has been used in these examples as being the highest use that may be established on the land as acceptable development subject to requirements.

Example 1 – Site X has an existing detached house (3 bedroom), and has access 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

$$\begin{aligned} AC_R \times Q_R &= (\$20,000 \times 60\% \times 6) \\ &= \$72,000 \end{aligned}$$

Credit Calculation:

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

Resultant levied charge:

$$\begin{aligned} LC &= (AC_R \times Q_R) - C \\ LC &= \$72,000 - \$16,800 \\ &= \$55,200 \end{aligned}$$

Example 2 – Site Y is a large urban parcel (1 hectare) with an existing house, which is subdivided into 10 parcels and has access 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:

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

Resultant levied charge:

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

One of the resulting lots from above (Site Z) is vacant, has access 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:

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

Resultant levied charge:

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

10. Calculation of credit for previously paid infrastructure charges

Contributions previously made for development of the land under a previous development approval, or as part of a land transfer connected to that development, are to be converted to the equivalent of the current levied charges.

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

Levied charge calculation for local government networks:

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

Credit Calculation:

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

Resultant levied charge:

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

11. Examples of the calculation of credits

The calculation of credits under the Breakup agreement 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 networks being utilised present at the time of the development application.

Examples of how charges levied by the Local Government are calculated are provided for guidance.

Example 5 – all networks are available to the land now and will continue 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 are available to the land

Application: Reconfigure a vacant lot into two residential lots.

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

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

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 are available to the land

Application: Reconfigure a vacant lot into two residential lots.

Existing networks: no water or sewer –parks, transport, stormwater available to the land

Future networks: no water or sewer –parks, transport, stormwater available to the land

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 service the land, 5 networks post-development will be required

Application: Reconfigure a vacant lot into two residential lots.

Existing networks: no sewer –parks, transport, stormwater, water available to the land

Future networks: all –parks, transport, stormwater, water and sewer available to the land

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 will be required post-development
Application: Reconfigure a vacant lot into two residential lots.
Existing networks: no water or sewer – parks, transport, stormwater available to the land
Future networks: no sewer – parks, transport, stormwater, water available to the land

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 10 – 3 networks currently service the land, 5 networks post-development will be required

Application: Reconfigure a vacant lot into two residential lots.

Existing networks: no water or sewer – parks, transport, stormwater available to the land

Future networks: all – parks, transport, stormwater, water and sewer available to the land

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:

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

Part 5 Offset and refund for trunk infrastructure

12. Establishment cost

The value of trunk infrastructure required to be provided under a necessary infrastructure condition is included in the infrastructure charges notice and is based on the establishment cost for that infrastructure item in the Schedule of Works in the Local Government Infrastructure Plan, or part of this value if the total project is not required to be constructed under the relevant condition. Where the Local Government has undertaken further or more detailed design work, and/or prepared more detailed estimates, the resultant establishment cost may be applied instead.

Where the Local Government has no estimate of the establishment cost, the ICN will indicate that the establishment cost will be determined using the process identified in Schedule 5 of the Resolution.

For larger scale trunk works or in circumstances Council deems warranted, Council may advise an applicant that the establishment cost for the required trunk works are to be based on a competitive tendering process. To provide guidance for applicants and assessment officers, a competitive tendering process may be required in the following circumstances:

- i. The works are external to the development site, and/or
- ii. When the scope and scale of the works are substantially different to the other works required under the development approval, and/or
- iii. The anticipated establishment cost is in excess of \$1,000,000 for any one infrastructure item.

The methodology and amounts listed in Appendix 1 are to be used for calculating the value of the land component of trunk infrastructure to be included in the ICN.

An applicant may require that the local government re-calculate the establishment cost of the required infrastructure following the process outlined in Schedule 4 of the Resolution for the land component of a contribution or Schedule 5 of the Resolution for the works component of a 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. Realistically, the contingency amount applied to preliminary estimates needs to 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 naturally decrease as the project becomes more defined. Typical industry accepted contingency allowances for small projects are shown in Table 3.

Table 3 Typical industry accepted contingency allowances for small projects

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 can be determined to an acceptable level of accuracy 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 costing of well-defined and low risk components such as the superstructure will have very little risk and uncertainty.

The percent applied for the purpose of contingency diminishes as a project evolves. Most attributes become more certain and the risks are more able to be quantified. The rates applied in the SOW model area based 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 either pre-tender or construction cost estimates that are based on approved Operational Works drawings with possibly a 3% to 8% contingency allowance dependent on the known risks and uncertainties.

14. Offsets

The establishment cost of:

- (i) the works component of a trunk infrastructure contribution; and/or
- (ii) land component of a trunk infrastructure contribution;

is applied as an offset of the levied charge. Offsets are not given for non-trunk infrastructure. Any offset for land that is trunk infrastructure will not include any land area that is necessary for non-trunk infrastructure.

A land component of the public parks and land for community facilities network is to be transferred in fee simple on trust. At the endorsement of the survey plan, a solicitor's undertaking is to be given to ensure the land is transferred to the Local Government.

The extent of embellishment of public parks is limited to the values listed in Table 4 to ensure a sustainable level of whole of life costs is delivered. The embellishments must meet the requirements of the desired standards of service. For Local Parks, refer to Appendix 2: Indicative Scope of Works - Local Parks.

Table 4: 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

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 supply and sewerage within the corridor. Refer to Appendix 3: Indicative Scope of Works - Trunk Road Corridors.

Where direct vehicular access is permitted to a District Collector road, no offset will be provided for the District Collector road.

Where the Local Government Infrastructure Plan or Active Transport overlay (in the MBRC Planning Scheme) has identified either a Primary or Secondary Active Transport route and the applicant is already obliged to build a pathway to satisfy the infrastructure requirements shown in the standard road cross-section, the Local Government will only offset the difference in cost between the two items.

15. Refunds

The Act (section 129) requires that, in instances where the establishment cost of the required trunk infrastructure exceeds the infrastructure charge that would otherwise be levied, the Local Government must refund the difference. The applicant is to provide a notice to the Local Government when the constructed asset has been accepted 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, will be paid to the applicant.

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

16. Conversion applications

An application to convert non-trunk infrastructure to trunk infrastructure will only be considered where construction of that infrastructure has not commenced and, except for those circumstances listed in section 307A of the Act, the application is made to the local government, in writing, within 1 year after the development approval that imposed the requirement for that infrastructure starts to have effect.

An application for conversion of non-trunk infrastructure to trunk infrastructure will:

- i. be assessed against the conversion criteria in Section 18 of the Resolution; and
- ii. processed in the manner prescribed in the Act (sections 138 to 142).

Appendix 1: 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;
- (g) the land has a surface slope in excess of 25%.

For clarity, land that is, in Council’s view, unusable for a residential purpose because of its location adjacent to or within a larger parcel of land affected by (a) to (g), above, is also “Constrained land”.

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

Land valuation methodology

- (1) For land within a Residential Area, the steps involved in determining the establishment cost of the land component of required trunk infrastructure are as follows:
 - (a) establish the suburb in which the land 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 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

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- (d) using Table S1.1 and Table S1.2, determine the land value for both the unconstrained and the constrained components of the required land contribution item corresponding to the constraint thresholds listed in the respective table and aggregate the value of each of those components to determine the overall value of that land.

Table S1.1 Suburb based land values (June Qtr 2017)

SUBURBS	LAND VALUES PER M ²
	Unconstrained Land
ALBANY CREEK	\$160.58
ARANA HILLS	\$187.34
ARMSTRONG CREEK	\$3.21
BANKSIA BEACH	\$80.29
BEACHMERE	\$48.17
BELLARA	\$64.23
BELLMERE	\$64.23
BELLTHORPE	\$3.21
BONGAREE	\$64.23
BOOROBIN	\$3.21
BRACALBA	\$3.21
BRAY PARK	\$128.46
BRENDALE	\$128.46
BUNYA	\$5.35
BURPENGARY	\$85.64
CABOOLTURE	\$85.64
CABOOLTURE SOUTH	\$85.64
CAMP MOUNTAIN	\$10.71
CAMPBELLS POCKET	\$4.28
CASHMERE	\$53.53
CEDAR CREEK	\$5.35
CEDARTON	\$2.14
CLEAR MOUNTAIN	\$5.35
CLONTARF	\$160.58
CLOSEBURN	\$5.35
COMMISSIONERS FLAT	\$3.21
D'AGUILAR	\$5.35
DAKABIN	\$107.05
DAYBORO	\$21.41
DECEPTION BAY	\$117.76
DELANEY'S CREEK	\$5.35
DONNYBROOK	\$10.71
DRAPER	\$5.35
EATONS HILL	\$128.46
ELIMBAH	\$10.71
EVERTON HILLS	\$214.11
FERNY HILLS	\$160.58
GODWIN BEACH	\$64.23
GRIFFIN	\$128.46
HIGHVALE	\$5.35
JOYNER	\$107.05
KALLANGUR	\$128.46
KING SCRUB	\$5.35
KIPPA RING	\$139.17
KOBBLE CREEK	\$3.21

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SUBURBS	LAND VALUES PER M ²
	Unconstrained Land
KURWONGBAH	\$5.35
LACEYS CREEK	\$2.14
LAWNTON	\$128.46
MANGO HILL	\$128.46
MARGATE	\$160.58
MELDALE	\$10.71
MOODLU	\$5.35
MOORINA	\$5.35
MORAYFIELD	\$85.64
MOUNT DELANEY	\$3.21
MOUNT GLORIOUS	\$5.35
MOUNT MEE	\$3.21
MOUNT NEBO	\$5.35
MOUNT PLEASANT	\$3.21
MOUNT SAMSON	\$5.35
MURRUMBA DOWNS	\$128.46
NARANGBA	\$96.35
NEURUM	\$2.14
NEWPORT	\$160.58
NINGI	\$64.23
NORTH LAKES	\$160.58
OCEAN VIEW	\$5.35
PETRIE	\$117.76
REDCLIFFE	\$214.11
ROCKSBERG	\$42.82
ROTHWELL	\$133.82
SAMFORD VALLEY	\$5.35
SAMFORD VILLAGE	\$21.41
SAMSONVALE	\$5.35
SANDSTONE POINT	\$80.29
SCARBOROUGH	\$160.58
STANMORE	\$3.21
STONEY CREEK	\$2.14
STRATHPINE	\$128.46
TOORBUL	\$64.23
UPPER CABOOLTURE	\$64.23
WAMURAN	\$10.71
WAMURAN BASIN	\$4.28
WARNER	\$107.05
WELSBY	\$2.14
WHITEPATCH	\$64.23
WHITESIDE	\$5.35
WIGHTS MOUNTAIN	\$5.35
WOODFORD	\$5.35
WOODY POINT	\$160.58
WOORIM	\$107.05
YUGAR	\$5.35

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

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Table S1.2 Constrained land valuations - residential (June Qtr 2017)

Land area more than (m ²)	Land area up to (m ²)	Base land value	Plus for each m ² over	Rate \$/m ²
0m ²	5,000m ²			\$5.13
5,001m ²	10,000m ²	\$25,650.00	5,001m ² to 10,000m ²	\$3.08
10,001m ²	50,000m ²	\$41,050.00	10,001m ² to 50,000m ²	\$2.05
50,001m ²	100,000m ²	\$123,050.00	50,001m ² to 100,000m ²	\$1.03
100,001m ²	No Limit	\$174,550.00	100,001m ²	\$0.51

(2) The steps involved in determining the establishment cost of the 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 the extent of the land contribution item that is constrained land; and
- (c) using Table S1.3 or Table S1.4 or Table S1.5, determine the land value for both the unconstrained and constrained components of the required land contribution item corresponding to the constraint thresholds listed in the respective table and aggregate the value of each of those components to determine the overall value of that land.

Table S1.3 Higher order centre land valuations (June Qtr 2017)

HIGHER ORDER CENTRES	LAND VALUES PER M ²	
	A	B
	Unconstrained Land	Constrained Land
CABOOLTURE	\$330.00	\$11.00
MORAYFIELD	\$330.00	\$11.00
NORTH LAKES CORE	\$440.00	\$11.00
NORTH LAKES FRAME	\$330.00	\$11.00
REDCLIFFE-KIPPA-RING	\$385.00	\$11.00
STRATHPINE	\$330.00	\$11.00

Table S1.4 District centre land valuations (June Qtr 2017)

DISTRICT CENTRES	LAND VALUES PER M ²	
	A	B
	Unconstrained Land	Constrained Land
ALBANY CREEK	\$385.00	\$11.00
ARANA HILLS	\$385.00	\$11.00
BELLARA	\$275.00	\$11.00
BURPENGARY	\$330.00	\$11.00
DECEPTION BAY	\$275.00	\$11.00
KALLANGUR	\$275.00	\$11.00

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DISTRICT CENTRES	LAND VALUES PER M ²	
	A	B
	Unconstrained Land	Constrained Land
MARGATE	\$330.00	\$11.00
PETRIE	\$275.00	\$11.00
WARNER	\$275.00	\$11.00

Table S1.5 Major industrial areas (June Qtr 2017)

MAJOR INDUSTRIAL AREAS	LAND VALUES PER M ²	
	A	B
	Unconstrained Land	Constrained Land
BRENDALE	\$165.00	\$11.00
BURPENGARY	\$110.00	\$11.00
CABOOLTURE	\$110.00	\$11.00
CLONTARF	\$165.00	\$11.00
LAWNTON	\$165.00	\$11.00
NARANGBA	\$110.00	\$11.00

- (3) Large areas of contiguous land that is to be dedicated for a Community Purpose under the Land Title Act 1994 must be provided to Council in a single allotment unless otherwise agreed by Council. Development with multiple stages should provide the whole connected land parcel in a single stage. Where contiguous land is dedicated in separate parcels, Council's valuation will be based on an area rate assuming the whole area to be dedicated.
- (4) Despite the methodologies stated in clause 1 and 2 above, Council may determine that the establishment cost be determined using the methodology stated in Schedule 4 of the Charges Resolution (before and after methodology) and generally in accordance with the procedure for default method for trunk infrastructure: Land, contained in 4.1.

4.1 Default method for trunk infrastructure: Land

The establishment cost of trunk infrastructure that is land must be determined through the following procedural requirements based on the Guidance for Minister's Guidelines and Rules (pp. 35) :

- a. The applicant, at their own cost, must provide to the Local Government a valuation of the specified land undertaken by a certified practicing valuer using the before and after method of valuation (the valuation).
- b. The Local Government may accept the valuation.
- c. If the Local Government accepts the valuation, the valuation is the establishment cost of the infrastructure.
- d. If the Local Government does not accept the valuation provided by the applicant, it must, at its own cost, have a valuation undertaken by a certified practicing valuer.
- e. If the Local Government rejected the valuation provided by the applicant, it must provide written notice to the applicant and propose a new valuation and its reasons for doing so.
- f. Where a written notice of the Local Government's proposed valuation has been given, the applicant may negotiate and agree with the Local Government

regarding a valuation. The agreed valuation is the establishment cost of the infrastructure.

- g.** If agreement cannot be reached, the Local Government must have a valuation undertaken by an independent, certified practicing valuer to assess the market value of the specified land.

The independent, certified practicing valuer is to be appointed by the Local Government, in its discretion, in consultation with the applicant. The Local Government will request the applicant provide two valuers for the Local Government's consideration. The cost of this independent assessment is to be equally shared between the Local Government and the applicant.

The amended valuation determined by the independent certified practicing valuer is the establishment cost of the infrastructure.

Appendix 2: Indicative Scope of Works - Local Parks

Works
Services (water supply/electricity/sewerage) to park boundary
Play equipment
Softfall
Edging
Pathway 1.2 metres wide
Seating
Tap/bubbler inc meter (+ take off point)
Bin
Signage
Landscaping
Shade trees (45 litre and caged)
Bollards
Slip rail
Topsoiling and turf/seed
Earthworks
Site establishment

Note: this is an indicative Scope of Works. The specific Scope of Works associated with any trunk infrastructure item will be determined when recalculating the value of the work contribution.

Appendix 3: Indicative Scope of Works - Trunk Road Corridors

Works
Detailed Design
<ul style="list-style-type: none"> • Project management, survey, design fee, construction administration
Roadworks
<ul style="list-style-type: none"> • Pavements for traffic lanes, on road bike lanes and bus stops • Asphalt surfacing • Upper sub-base • Lower sub-base • Prime and seal
Earthworks
<ul style="list-style-type: none"> • Filling for corridor • Excavation for corridor • Excavation of unsuitable material from corridor • Imported fill (if required)
Drainage
<ul style="list-style-type: none"> • Longitudinal drainage • Cross drainage • Subsoils inc. kerb connections
Road features
<ul style="list-style-type: none"> • Kerb and channel • Pedestrian ramps • Concrete medians • Concrete footpaths
Road furniture and line marking
Landscaping
<ul style="list-style-type: none"> • Street trees • Grass for verge and median
Street lighting

Note: this is an indicative Scope of Works. The specific Scope of Works associated with any trunk infrastructure item will be determined when recalculating the value of the work contribution.