1. BACKGROUND >>

Trunk infrastructure for development is partly funded by adopted infrastructure charges, levied on development during the development approval process. These are empowered by provisions of the *Sustainable Planning Act 2009* and adopted infrastructure charges resolutions, and limited by amounts specified in the State Planning Regulatory Provision (adopted charges). This user guide clarifies the application of adopted infrastructure charges in Townsville.

2. ADOPTED INFRASTRUCTURE CHARGES REGIME >>

The adopted infrastructure charging regime commenced on 1 July 2011. Until council makes an adopted infrastructure charges resolution to specify otherwise, the applicable charge for development approved after this date will be the lesser of:

(i) the value of contributions derived from the planning scheme policies for infrastructure, or;

(ii) the amount(s) specified in the state government's *State Planning Regulatory Provision (adopted charges)* - (SPRP).

The adopted infrastructure charges regime does not apply to development approved before the 1 July 2011. For such development, developer contributions are determined from the local planning instrument which had effect at the time of the development application was properly made, or decision stage commenced.

3. DISCOUNTS >>

As at 30 June 2011, council resolutions allowed for the discount of infrastructure contributions for water and sewerage for small residential allotments and to encourage large scale development in the CBD. The effects of these resolutions are over and above the associated planning scheme policies which facilitate the infrastructure contributions.

The effect of these discounts are continued in the new infrastructure charging regime, but only to the extent of reducing the planning scheme policy infrastructure charge for small residential lots (water and sewer). Discounts for the CBD incentive development are dependent on development completion, so are treated as a subsidy arrangement and are not offset at the time of calculating the adopted infrastructure charge.

4. EXAMPLE CALCULATIONS >>

The most practical way to demonstrate the application of the adopted infrastructure charges regime is via the illustration of two examples showing how the planning scheme policy contributions are calculated and compared to the maximum charges specified in the SPRP.

4.1 Example 1: RECONFIGURING A LOT

An applicant applies for the reconfiguring of two existing vacant parcels (with a total area of 2.0 hectares) of traditional residential land into 25 lots (>600m2). The development is on the **mainland**. Time for payment is September 2011 (RBCI for June quarter 2011 is 100.3 and CPI for the same is 99.6).

4.1.1. Planning scheme policy infrastructure contributions

(a) Water and Sewerage (City Plan Policy 3 - Contributions, Section 2 - Headworks)

H = (A-B) X (HW+HS) x I (Section 2.3)

Where:

A = 25 lots x 2.8 EP/lot = 70.0 EP (Section 2.3)

B = 2 lots x 2.8 EP/lot (Section 2.3)
= 5.6 EP

HW = $3,358/EP (Appendix A)

HS = $2,120/EP (Appendix A)

$$I = \frac{\text{100.3 (RBCI for June Qtr 2011)}}{\text{91.8 (June Qtr 2008 base index)}} = 1.093$$

Therefore:

H = (70.0 – 5.6) x (3,358 + 2,120) x 1.093
= 64.4 x 5,478 x 1.093
= **$385,592** (June 2011)

(b) Transport (City Plan Policy 3 - Contributions, Section 5 - Road Network Headworks)

$$RNH = (A - B) \times [(HR_w \times I_w) + (HR_L \times I_L)]$$

Where:

HR_w = \$657 /TDU[1] (Table 5.3)

HR_L = \$1/TDU

$$I_w = \frac{\text{100.3 (RBCI for June Qtr 2011)}}{\text{80.1 (June Qtr 2006 base Index)}} = 1.252$$

$$I_L = \frac{\text{99.6 (CPI for June Qtr 2011)}}{\text{84.5 (June Qtr 2006 base index)}} = 1.179$$

A = 25 lots x 2.8 TDU/lot (Table 5.1)

= 70 TDU

B = 2 ha X 2.8 TDU/ha

= 5.6 TDU

RNH = $(A - B) \times [(HR_w \times I_w) + (HR_L \times I_L)]$

= $(70-5.6) \times [(657 \times 1.252) + (1 \times 1.179)]$

= $64.4 \times [823 + 1]$

= \$**53,066** (June 2011)

(c) Parks (City Plan Policy 3 - Contributions, Section 3 – Public Open Space)

$$\text{Contribution rate} = \$2{,}284 \times \frac{\text{100.3 (RBCI for June Qtr 2011)}}{\text{91.8 (June Qtr 2008 base Index)}} = 1.093$$

= \$2,497 (June'11)

[1] State controlled roads are not included as according to new infrastructure charging regime, contributions can be levied only for local government controlled roads.

Contribution = (additional lots – existing lots) x $2,497

= (25 – 2) x $2,497

= 23 x $2,497

= **$57,431** (June 2011)

(d) Stormwater (City Plan Policy 3 - Contributions, Section 6 – Stormwater Drainage Headworks)

SIC = (ED – PC) x CR x I_W

Where:

ED = 25 lots X 1 EDU/lot (Equivalent Demand set out in Table I)

= 25 TDU

PC = 2 lots X 1 EDU/lot

= 2 EDU

CR = Contribution Rate as set out in Table II

= $400

$$I_w = \frac{\text{100.3 (RBCI for June Qtr 2011)}}{\text{91.8 (June Qtr 2008 base index)}} = 1.093$$

SIC = (ED – PC) x CR x I_W

= (25 – 2) x $400 x 1.093

= 23 x $400 x 1.093

= **$10,056** (June 2011)

(e) Total contribution for development

= Water and Sewerage + Transport + Parks + Stormwater

= $385,592 + $53,066 + $57,431 + $10,056

= **$506,145** (June 2011)

4.1.2 SPRP Maximum adopted infrastructure charge

(Schedule 1of the State Planning Regulatory Provision - adopted charges)

SPRP max = (Demand - Existing use rights) x maximum adopted charge

Where:

Demand of proposal = 25 lots x 1 dwell./lot (3 or more b.room) - (self assessable use)
= 25 dwell. (3 or more b. rooms)

Existing use rights = 2 lots x 1 dwell./lot (3 or more b.room) - (self assessable uses)
= 2 dwell. (3 or more bedrooms)

Max. adopted charge = $28,000/dwell. (3 or more bedrooms)

SPRP max = (25 dwell. - 2 dwell.) x $28,000/dwell (all 3 or more b.room)
= 23 X $ 28,000
= **$644,000**

4.1.3 Adopted infrastructure charge

(Schedule 1 of the State Planning Regulatory Provision - adopted charges)

Minimum of:

(i) Planning scheme policy contributions, or

(ii) SPRP maximum adopted infrastructure charge

= Minimum of: (i) $506,145 or (ii) $644,000
= **$506,145**

4.2 - Example 2: MATERIAL CHANGE OF USE

Application is made to the council for a Material Change of Use for a mixed land use in a Mixed Residential precinct (with a total area of 2.0 hectares) on **Magnetic Island**. The proposal consists of 22 additional multiple dwelling units (2 bedroom units) and a bar/lounge area (gross floor area 400 m^2) increasing site area (footprint) from 1 hectare to 1.2 hectares on an allotment with existing units and a hotel. Time for payment is September 2011.

4.2.1. Planning scheme policy infrastructure contributions

(a) Water and Sewerage (City Plan Policy 3 - Contributions, Section 2 - Headworks)

Calculation of EP for bar/lounge area

Representative GFA –f.u relationship for indoor recreation
= 0.32 f.u/100 m^2 GFA

f.u. for 400 m^2 GFA
= 0.32 f.u/100 m^2 GFA x 400 m^2 GFA
= 1.28 fixture unit

EP = 1.28 fixture unit x 1EP /5 f.u. or part thereof
= 1EP

H = (A-B) X (HW+HS) x I (Section 2.3)

Where:

A = 22 dwell. units x 2.0 EP/dwell. unit (Appendix. C)
+ 1 EP

= 45 EPs

B = 0 EP (The linear relationship of rates allows this calculation to be determined on the basis of additional development only - All existing use rights which continue are respected by exclusion from the demand calculation 'A' hence there should be no credit for 'B').

$$I = \frac{\text{100.3 (RBCI for June Qtr 2011)}}{\text{91.8 (June Qtr 2008 base index)}} = 1.093$$

HW = $4,312 (Appendix A)

HS = $3,388 (Appendix A)

Therefore water and sewerage headworks

H = (A-B) X (HW+HS) x I (Section 2.3)

= 45 x (4,312 + 3,388) x 1.093

= 45 x 7,700 x 1.093

= **$378,725** (June 2011)

(b) Transport (City Plan Policy 3 - Contributions, Section 5 - Road Network Headworks)

$$RNH = (A - B) \times [(HR_w \times I_w) + (HR_L \times I_L)]$$

Where:

HR_w = $1994 / TDU[2] (Table 5.3)

HR_L = $1 / TDU (Table 5.3)

$$I_w = \frac{\text{100.3 (RBCI for June Qtr 2011)}}{\text{80.1 (June Qtr 2006 base index)}} = 1.252$$

$$I_L = \frac{\text{99.6 (CPI for June Qtr 2011)}}{\text{84.5 (June Qtr 2006 base index)}} = 1.179$$

[2] State controlled roads are not included as according to new infrastructure charging regime contributions can be levied only for local government controlled roads.

A = 22 dwell. units x 1.4 TDU / dwell. unit
+ 400 m^2 GFA X 17.2 TDU/100 m^2 TUA (bar/lounge area) (Table 5.2)

= 30.8 TDU + 68.8 TDU

= 99.6 TDU's

B = 0 TDU (This calculation is determined on the basis of additional development only - All existing use rights which continue are respected by exclusion from the demand calculation 'A' hence there should be no credit for 'B').

Therefore RNH = 99.6 x [($1,994 x 1.252) + ($1 x 1.179)]

= 99.6 X $2,498

= $248,801 (June 2011)

(c) Parks (City Plan Policy 3 - Contributions, Section 3 - Public Open Space)

$$\text{Contribution rate} = \$2{,}284 \times \frac{100.3 \text{ (RBCI for June Qtr 2011)}}{91.8 \text{ (June Qtr 2008 base Index)}} = 1.093$$

= $2,497 (June'11)

Contribution = Multiple dwelling units have a strong likelihood of subsequent reconfiguration of lot so contribution charge is calculated for parks.

= additional lots/units x $2,284/lot or unit

= 22 units x $2,497/ unit

= $54,934 (June 2011)

(d) Stormwater (City Plan Policy 3 - Contributions, Section 6 - Stormwater Drainage Headworks)

Stormwater Infrastructure Contribution:

SIC = (ED – PC) x CR x IW

Where:

ED = 1.2 ha (total proposed site area) X 0.7 EDU/400 m^2 site area (Table I)
= (1.2 x 10,000) x 0.7/400
= 21 EDU

PC = 1.0 ha (total existing site area) X 0.7 EDU/400 m2 site area
= 10,000 m^2 X 0.7 EDU/400 m^2 (Table I)
= 17.5 EDU

CR = Contribution Rate as set out in Table II
= $400

$$I_w = \frac{\text{100.3 (RBCI for June Qtr 2011)}}{\text{91.8 (June Qtr 2008 base index)}} = 1.093$$

SIC = (ED – PC) x CR x IW
= (21 – 17.5) x $400 x 1.093
= $1,530 (June 2011)

(e) Total contribution for development (June 2011)

= Water and Sewerage + Transport + Parks + Stormwater
= $378,725 + $248,801 + $54,934 + $1,530
= $683,990 (June 2011)

4.2.2 SPRP Maximum adopted infrastructure charge
(Schedule 1 of the State Planning Regulatory Provision - adopted charges)

SPRP max. = (Demand - existing use rights) x max. adopted charge

Where:

Existing use rights = 0 (This calculation is determined on the basis of Additional development only - all existing use rights which continue are respected by exclusion from the demand calculation, hence there should be no credit)

Max. adopted charge
= $20,000/dwell. (2 bedroom unit)

Residential component

= 22 additional dwell.units (2 bedrooms) x $20,000/dwell

= 22 X $ 20,000

= $**440,000**

Bar/lounge area

= 400 m2 GFA x $200/m2 of GFA + $10/m2 of impervious area[3].

= $80,000 + 400 m2 x $10/m2

= $80,000 + $4000

= $**84,000**

Total SPRP max = $440,000 + $84,000

= **$524,000**

4.2.3 Adopted infrastructure charge

Minimum of:

(i) Planning scheme policy contributions, or

(ii) SPRP maximum adopted infrastructure charge

= Minimum of: (i**)** $683,990 and; (ii) $524,000

= **$524,000**

[3] All of 400 m^2 GFA in the plan are impervious area.