

INDUSTRY UPDATE – INFRASTRUCTURE CHARGES

LOOKING FOR WAYS TO REDUCE YOUR INFRASTRUCTURE CHARGES?

Infrastructure charges can add significant costs to a development, however there are circumstances where you might be able to make savings. Examples include:

- **Obtaining credits for existing and previous uses** on the land; and
- **Seeking offsets and refunds for trunk infrastructure** that Council has conditioned.

CREDITS FOR EXISTING OR PREVIOUS USES

Applicants are entitled to receive a 'credit' on infrastructure charges for any existing or previous lawful uses on the site. These rules are in place to ensure that a proponent only pays for the 'additional' demand placed on infrastructure. To be eligible for the discount, the use needs to be lawful; for example, have a current town planning approval on the site. Council may also require proof (e.g. previous plans and approvals) of the previous use to qualify for the appropriate number of credits.

OFFSETS AND REFUNDS FOR TRUNK INFRASTRUCTURE

Sometimes a Local government imposes conditions on development approvals requiring the proponent to provide new or upgraded **trunk infrastructure**. Trunk infrastructure is identified in a Council's Charges Resolution or Planning Scheme and includes larger or shared infrastructure items that service multiple developments and provide a benefit to the wider community. Examples include large sewerage or water supply pipes, major road or parkland.

Where the cost to provide the trunk infrastructure is equal to or less than the levied infrastructure charge, the Council must offset that cost against the levied charges (an **offset**). Where the cost of the trunk infrastructure is more than the levied charge, Council may be required to provide a refund to the applicant for the difference between the cost of the infrastructure and the levied charge (a **refund**). Claiming an offset or refund in lieu of paying all or part of the levied charges can save significant costs.

Can I obtain an offset or refund for non-trunk infrastructure?

If you have been conditioned to provide 'non-trunk' infrastructure, but believe in fact that the infrastructure qualifies as 'trunk', you can now apply to the Council (and in South East Queensland, the Distributor-Retailer for water supply and sewerage) to have the infrastructure 'converted' to trunk infrastructure. This is known as a '**conversion application**' and if successful, will enable you to claim an offset or refund for the infrastructure. If you are not sure if you are eligible for a conversion application or need assistance please contact us.

DID YOU KNOW?

The infrastructure charge for a new residential lot in Brisbane has increased from \$27,000 to \$28,000 per lot. These new charges apply to development applications decided on or after 1 July 2015.

Local governments in Queensland were also required to adopt a new **Charges Resolution** by 30 June 2015. These documents identify the charge rates that Council will apply to new development.

It is important to check the new Charges Resolutions in your Council area to see what has changed including whether or not the charge rates have increased. If you would like any assistance with your infrastructure charges please call Doug at Ken Ryan and Associates.

**WANT TO KNOW MORE ABOUT
INFRASTRUCTURE CHARGES?
CALL DOUG SCHNEIDER ON (07) 3876 0533**

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