

**QUILPIE SHIRE COUNCIL
CHARGES RESOLUTION
QUILPIE SHIRE LOCAL GOVERNMENT AREA**

1. Sustainable Planning Act 2009

- (i) The resolution is made pursuant to section 630 of the *Sustainable Planning Act 2009* (SPA).
- (ii) The resolution is to be read in conjunction with the *State planning regulatory provision (adopted charges)*.
- (iii) The resolution is attached to the Quilpie Shire Planning Scheme 2006, pursuant to section 634(1)(B) of SPA, but does not form part of the Planning Scheme.

2. When Resolution Has Effect

The resolution has effect on and from 18 August 2015 and applies to development application decisions made on or after this date.

3. Priority Infrastructure Area

The priority infrastructure area for the Quilpie Shire local government area is identified in the local government infrastructure plan in the Quilpie Shire Planning Scheme.

4. Comparison of Planning Scheme Use Categories and SPRP Charge Categories

To assist in applying Schedule 1 – *Adopted infrastructure charges schedule* of the *State planning regulatory provision (adopted charges)*, Table 1 provides a guide to the uses as defined in the Quilpie Shire Planning Scheme corresponding with the use categories mentioned in Column 1 of Schedule 1.

Table 1 – Planning Scheme Use Categories and SPRP Charge Categories

| Use Categories – as defined in Part 2 – Definitions – Quilpie Shire Planning Scheme | SPRP Charge Categories |
|---|----------------------------|
| <i>“Residential activities”</i> such as: <i>“Caretaker’s residence”</i> <i>“Detached house”</i> <i>“Multiple dwelling”</i> | Residential |
| <i>“Residential activities”</i> such as: <i>“Accommodation building”</i> (where providing short term accommodation) <i>“Visitor accommodation”</i> <i>“Commercial activities”</i> such as: <i>“Hotel”</i> (residential component) | Accommodation (short term) |
| <i>“Residential activities”</i> such as: <i>“Accommodation building”</i> (where providing long term accommodation) | Accommodation (long term) |

| Use Categories – as defined in Part 2 – Definitions – Quilpie Shire Planning Scheme | SPRP Charge Categories |
|---|--------------------------------------|
| “Community oriented activities” such as: “Place of worship” | Places of assembly |
| “Industrial activities” such as: “Storage facility” “Transport terminal” (for goods) | Commercial (bulk goods) |
| “Commercial activities” such as: “Catering premises” “Shop” “Industrial activities” such as: “Service station” | Commercial (retail) |
| “Commercial activities” such as: “Commercial premises” “Professional office” | Commercial (office) |
| “Community oriented activities” such as: “Child care centre” “Educational establishment” | Education facility |
| “Commercial activities” such as: “Hotel” (non-residential component) | Entertainment |
| “Open space and recreation activities” such as: “Indoor recreation” | Indoor sport and recreation facility |
| “Industrial activities” such as: “Industry” | Industry |
| “Industrial activities” such as: “Noxious industry” | High impact industry |
| “Rural activities” such as: “Agriculture” “Grazing” | Low impact rural |
| “Rural activities” such as: “Intensive agriculture” “Intensive animal industry” | High impact rural |
| “Community oriented activities” (where not elsewhere included) | Essential services |
| “Airport” “Industrial activities” such as: “Extractive industry” “Open space and recreation activities” such as: “Outdoor recreation” “Community oriented activities” such as: “Public utility” “Commercial activities” such as: “Tourist facility” | Specialised uses |

| Use Categories – as defined in Part 2 – Definitions – Quilpie Shire Planning Scheme | SPRP Charge Categories |
|--|------------------------|
| “Industrial activities” such as: “Transport terminal” (for people) | |
| “Residential activities” such as: “Bed and breakfast premises” “Home business” “Park” | Minor uses |

5. Adopted Infrastructure Charges

5.1 Reconfiguring a Lot

The Quilpie Shire Council resolves to adopt the charge mentioned in Table 2, Column 1 for development being for reconfiguring a lot.

Table 2 – Adopted Infrastructure Charge – Reconfiguring a lot

| Column 1 Adopted Infrastructure Charge | Column 2 Part of Local Government Area (LGA) to Which Charge Applies |
|---|---|
| \$0.00 (per additional lot for 1-3 additional lots created) | Quilpie Shire LGA |
| \$0.00 (per additional lot for 4 or more additional lots created) | Quilpie Shire LGA |

5.2 Material Change of Use and Building Works

The Quilpie Shire Council resolves to adopt the charge mentioned in Table 3, Column 2 for development being for material change of use and building works¹ for a use mentioned in Table 3, Column 1.

The local government declares an adopted infrastructure charge in Table 3, Column 1 applies to the area mentioned for that charge in Table 3, Column 3.

¹ The adopted infrastructure charge for building works is applicable to building works which are associated with an exempt or self-assessable material change of use.

Table 3 – Adopted Infrastructure Charge – Material Change of Use and Building Works

| Column 1 SPRP Charge Category | Column 2 Adopted Infrastructure Charge | Column 3 Part of Local Government Area (LGA) to Which Charge Applies |
|--|---|---|
| Residential | \$0.00 (per detached house) \$0.00 (per dwelling unit for other than detached house) | Quilpie Shire LGA |
| Accommodation (short term) | \$0.00 (per residential unit, including: tent/caravan site, cabin) | Quilpie Shire LGA |
| Accommodation (long term) | \$0.00 (per residential unit) | Quilpie Shire LGA |
| Places of assembly | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| Commercial (bulk goods) | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| Commercial (retail) | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| Commercial (office) | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| Education facility | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| Entertainment | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| Indoor sport and recreation facility | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| Industry | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| High impact industry | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| Low impact rural | Nil | Quilpie Shire LGA |
| High impact rural | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| Essential services | \$0.00 (per sq m GFA) | Quilpie Shire LGA |
| Specialised uses | the charge category (in column 1) that the local government determines should apply for the use at the time of assessment | Quilpie Shire LGA |
| Minor uses | Nil | Quilpie Shire LGA |
| Other uses | the charge category (in column 1) that the local government determines should apply for the use at the time of assessment | Quilpie Shire LGA |

6. Additional Demand

Section 636 of SPA provides that a levied charge may be only for additional demand placed upon trunk infrastructure. In working out additional demand the following must not be included:

- (i) an existing use on the premises if the use is lawful and already taking place on the premises;
- (ii) a previous use that is no longer taking place on the premises if the use was lawful at the time it was carried out;
- (iii) other development on the premises if the development may be lawfully carried out without the need for a further development permit.

7. Trunk Infrastructure

The trunk infrastructure for the Quilpie Shire local government area is identified in the local government infrastructure plan in the Quilpie Shire Planning Scheme.

8. Method for Recalculating the Establishment Cost

The method used to recalculate establishment cost when an application is made under section 657 of SPA is outlined below:

A. Trunk Infrastructure that is Works

Trunk infrastructure that is works (trunk infrastructure other than land) must be costed using a first principles estimating approach.

The first principles estimating approach must be implemented through the following procedural requirements:

- (i) The local authority must provide to the applicant the scope of works including the standard to which the trunk infrastructure is to be provided and the location of the trunk infrastructure (the scope of works)
- (ii) The applicant must, at their cost, provide to the local authority:
 - (a) a bill of quantities for the design, construction and commissioning of the trunk infrastructure in accordance with the scope of works (the bill of quantities).
 - (b) a first principles estimate for the cost of designing, constructing and commissioning the trunk infrastructure specified in the bill of quantities (the cost estimate).
- (iii) The local authority may accept the bill of quantities and cost estimate provided by the applicant.
- (iv) If the local authority accepts the bill of quantities and the cost estimate, the cost estimate is the establishment cost of the infrastructure.
- (v) If the local authority does not accept the bill of quantities and cost estimate provided by the applicant it must, at its cost, have an assessment undertaken by an appropriately qualified person to:
 - (a) determine whether the bill of quantities is in accordance with the scope of works;
 - (b) determine whether the cost estimate is consistent with current market costs calculated by applying a first principles estimating approach to the bill of quantities; and
 - (c) provide a new cost estimate using a first principles estimating approach.
- (vi) If the local authority rejected the bill of quantities and the cost estimate provided by the applicant, it must provide written notice to the applicant and propose the new bill of quantities and cost estimate and its reasons for doing so.
- (vii) Where a written notice of the local authority's proposed bill of quantities and cost estimate has been given, the applicant may negotiate and agree with the local authority regarding a cost estimate.

The agreed cost estimate is the establishment cost of the infrastructure.

- (viii) If agreement cannot be reached, the local authority must refer the bill of quantities and the cost estimate to an independent, suitably qualified person (the independent assessor) to:
- (a) assess whether the bill of quantities is in accordance with the scope of works;
 - (b) assess whether the cost estimate is consistent with current market costs calculated by applying a first principles estimating approach to the bill of quantities; and
 - (c) provide an amended cost estimate using a first principles estimating approach.

The independent assessor is to be appointed by agreement between the local authority and the applicant. The cost of this independent assessment is to be equally shared between the local authority and the applicant.

The amended cost estimate determined by the independent assessor is the establishment cost of the infrastructure.

If the local authority and the applicant cannot reach agreement on the appointment of an independent assessor, the establishment cost of the infrastructure is determined by calculating the average of the previous two cost estimates prepared on behalf of the applicant and the local government respectively.

- (ix) The local authority must give an amended ICN to the applicant stating:
- (a) the value of the establishment cost of the infrastructure which has been indexed to the date it is stated in the amended ICN using the Producer Price Index – Road and bridge construction index for Queensland.
 - (b) that the establishment cost of the infrastructure stated in the amended ICN is indexed from the date that it is stated in the amended ICN to the date it is to be offset against the levied charge in accordance with the Producer Price Index – Road and bridge construction index for Queensland.

B. Trunk Infrastructure that is Land

The establishment cost of trunk infrastructure that is land must be determined using the before and after method for estimating the current market value of land (the before and after method of valuation).

The before and after method of valuation must be given effect through the following procedural requirements:

- (i) The applicant, at their own cost, must provide to the local authority a valuation of the specified land undertaken by a certified practicing valuer using the before and after method of valuation (the valuation).
- (ii) The local authority may accept the valuation.
- (iii) If the local authority accepts the valuation, the valuation is the establishment cost of the infrastructure.
- (iv) If the local authority does not accept the valuation provided by the applicant, it must, at its own cost, have a valuation undertaken by a certified practicing valuer.
- (v) If the local authority 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.
- (vi) Where a written notice of the local authority's proposed valuation has been given, the applicant may negotiate and agree with the local authority regarding a valuation.

The agreed valuation is the establishment cost of the infrastructure.

- (vii) If agreement cannot be reached, the local authority 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 agreement between the local authority and the applicant. The cost of this independent assessment is to be equally shared between the local authority and the applicant.

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

If the local authority and the applicant cannot reach agreement on the appointment of an independent certified practicing valuer, the establishment cost of the infrastructure is determined by calculating the average of the previous two cost estimates prepared on behalf of the applicant and the local government respectively.

- (viii) The local authority must give an amended ICN to the applicant stating:
 - (a) the value of the establishment cost of the infrastructure which has been indexed to the date it is stated in the amended ICN using the Producer Price Index – Road and bridge construction index for Queensland.
 - (b) that the establishment cost of the infrastructure stated in the amended ICN is indexed from the date that it is stated in the amended ICN to the date it is to be offset against the levied charge in accordance with the Producer Price Index – Road and bridge construction index for Queensland.

When determining the value of the land using the before and after method of valuation, two valuations of the subject land are undertaken. In the first instance, the value of the original land is determined before any land is transferred to a local authority, using the direct comparison method at the site specific level. This will include those portions of the land which are able to be developed to the yield approved in a development application and the value of those portions of the land which will be used for trunk infrastructure. Assuming that the land to be used for infrastructure is otherwise developable (e.g. not within a stormwater or drainage corridor), these portions of the land should be valued based on a rate applicable to en globo land for the underlying zone.

The value of the remaining land that will not be transferred to a local authority is then determined – again using the direct comparison method at the site specific level. The value of the latter is then subtracted from the former value to arrive at the value of the land to be transferred to a local authority. This method ensures that the land is not valued as a stand-alone allotment, but rather as a part of the overall land holding of the owner and that the valuation reflects any enhancement or diminution of value of the remaining land that may occur as a result of the portion to be transferred to a local authority.

9. Conversion Criteria

Conversion criteria used for making a decision on a conversion application made under section 659 of SPA is outlined below.

- (i) The infrastructure has capacity to service other developments in the area;
- (ii) The function and purpose of the infrastructure is consistent with other trunk infrastructure identified in an LGIP or a charges resolution;
- (iii) The infrastructure is not consistent with non-trunk infrastructure for which conditions may be imposed in accordance with section 665 of the SPA;

- (iv) The type, size and location of the infrastructure is the most cost effective option for servicing multiple users in the area. A definition of cost effectiveness as it relates to trunk infrastructure provision is stated below;

Most cost effective option – means the least cost option based upon the life cycle cost of the infrastructure required to service future urban development in the area at the desired standard of service.

6. Dictionary

The following terms used in this resolution are defined as:

“GFA” (Gross Floor Area) – means the sum of all parts of the premises used for the particular use, including any ancillary use, and includes the total floor area of all buildings, but does not include areas used for: car parking; landscaping; or vehicle manoeuvring.