

Local Government Infrastructure Framework

Infrastructure conditioning and cross crediting

FACT SHEET
JULY 2014

Purpose

This fact sheet provides information about infrastructure conditioning, offsetting and refunding arrangements under the *Sustainable Planning Act 2009* (SPA).

Background

The Queensland Government has implemented reforms to improve Queensland's local government infrastructure framework. These changes commenced on 4 July 2014 with amendments to the SPA.

Infrastructure conditions

There are three types of infrastructure conditions that a local government may impose in a development approval:

- non-trunk infrastructure conditions;
- necessary infrastructure conditions (for trunk infrastructure);
- additional cost conditions (for trunk infrastructure).

Non-trunk conditions

Non-trunk infrastructure is generally infrastructure that is internal to a development, connects a development to external infrastructure networks or necessary to protect or maintain the safety or efficiency of the infrastructure network of which the non-trunk infrastructure is a component.

Developers are responsible for providing non-trunk infrastructure within and to connect their development site. Local governments, under section 665 and 679 of SPA, can place conditions on a development approval to ensure non-trunk infrastructure is provided.

Necessary trunk infrastructure conditions

Trunk infrastructure is generally planned and provided by local governments. It is generally high-level infrastructure that is shared between multiple developments. Infrastructure charges are used to fund the supply of trunk infrastructure.

A local government may impose conditions on a development approval requiring the supply of necessary trunk infrastructure. Necessary trunk infrastructure is trunk infrastructure which is necessary to service the premises that is the subject of the development application. Sections 645 to 649 of SPA deal with conditioning for necessary trunk infrastructure.

Where a necessary infrastructure condition is imposed, the cost of the infrastructure provided is deducted from the infrastructure charge. As such the applicant is providing trunk infrastructure in lieu of paying infrastructure charges.

The reduction in the infrastructure charge must be against the entire charge which applies to all networks. This was previously referred to as cross crediting. For example, an applicant receives an infrastructure charge of \$50,000 dollars and also receives a necessary infrastructure condition to upgrade a trunk road near the development site. If the cost to the applicant of the road upgrade is \$40,000 the entire \$40,000 is to be offset against the \$50,000 charge, leaving a charge of \$10,000.

However, local governments are only required to provide credits in relation to the infrastructure networks they are responsible for. Therefore, if there is a water distributor-retailer responsible for water and wastewater infrastructure in a local government area, the local government is not required to provide a credit against the component of the infrastructure charge which is for water and wastewater infrastructure.

Where the infrastructure provided in response to a necessary infrastructure condition has a greater value than the levied charge, the local government is required to refund the outstanding amount.

Additional cost infrastructure conditions (for trunk infrastructure)

Where a development is out-of-sequence or inconsistent with a local government's planning and therefore will place more demand on trunk infrastructure than was anticipated by the local government, an applicant may be liable for additional costs.

Additional cost conditions can be imposed on a development approval if the proposed development is:

- inconsistent with the assumptions about the type, scale, location or timing of future development stated in the priority infrastructure plan or resolution; or
- for premises completely or partly outside the priority infrastructure area.

Distributor-retailers

Infrastructure conditioning for water infrastructure within a water distributor-retailer area is regulated by the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009* . For further information on infrastructure charges or planning for distributor-retailers please visit the [Department of Energy and Water Supply website](#).

Further information

For further information on local government infrastructure charges and planning matters please visit the [Department of Infrastructure, Local Government and Planning website](#) or email infrastructure.planning@dilgp.qld.gov.au.