

Practice note no. 18

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Rationale for and calculation of value uplift charge

Under the *Economic Development Act 2012*, the Minister for Economic Development Queensland (MEDQ) may fix charges and other terms for the provision of infrastructure in priority development areas (PDA).

The Infrastructure Funding Framework (IFF) is the guiding document for:

- » encouraging development
- » maintaining affordability for the end consumer, community, state and council
- » ensuring new development in PDAs fairly contribute towards the cost of providing the infrastructure required to service the PDA
- » providing landowners with certainty about future infrastructure charges.

For the Bowen Hills and Northshore Hamilton PDAs, a value uplift charge is applied for approved development (GFA) that exceeds the permissible Brisbane City Plan 2000 (the scheme in effect at the time of the introduction of the PDAs) plot ratio for the respective development precinct (refer to Map 2 of the Northshore Hamilton PDA Development Scheme and Map 3 of the Bowen Hills PDA Development Scheme). The value uplift charge is applied in addition to the general infrastructure charge.

The application of the value uplift charge recognises that the development potential of certain land within the PDAs is greater than compared to its pre-PDA status and that this creates additional infrastructure demand. The value uplift charge levied per development is to be used in the following manner:

- » 50 per cent towards the delivery of essential infrastructure
- » 30 per cent towards the provision of affordable and diverse housing
- » 20 per cent towards achieving ecologically sustainable outcomes.

Under the IFF, up to 50 per cent of the total value uplift charge may be offset for achieving affordable and diverse housing and ecologically sustainable development. Practice Note 16 - Calculation of offsets for affordable and diverse housing and Practice Note 17 - Calculation of offsets for ecologically sustainable design provide further guidance for achieving these offsets.

To assist in determining what the value uplift charge liability may be for a particular development, a value uplift calculator is available at www.dilgp.qld.gov.au/calculator.