



Fact Sheet No.8: Infrastructure Charges

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This fact sheet provides an overview of provisions in the Economic Development and Other Legislation Amendment Bill 2024 (the Bill) relating to the transfer of infrastructure charges from local governments and distributor-retailers to the Minister for Economic Development Queensland (MEDQ).

What are the current arrangements for infrastructure charges in a Priority Development Area (PDA)?

Infrastructure charges levied as part of a PDA development approval are paid to Economic Development Queensland (EDQ)¹ (or another delegate of the MEDQ) and used to fund the delivery of infrastructure to service that PDA.

However, when a PDA is declared, infrastructure charges levied in relation to applications submitted prior to the PDA declaration but approved after the PDA declaration, are paid to the local government or distributor-retailer.

Why do we need a change?

Where an area is transitioning from the local government planning framework to a PDA, it is critical that infrastructure charges collected in the area be allocated to infrastructure projects that service the PDA. This is particularly critical for PDAs, as the area available for collecting charges is constrained by the boundary of the declared PDA, meaning there is a limited infrastructure charges revenue pool.

Currently, where infrastructure charges collected by the local government or distributor-retailer from development in a PDA is not used to fund PDA infrastructure, either infrastructure charges must increase for remaining PDA development sites or less infrastructure may be provided in the area.

Key Features of the Bill

- The MEDQ can direct a local government or distributor-retailer to transfer infrastructure charges collected within a PDA after a PDA declaration.
- The powers are limited to infrastructure charges collected in relation to development approvals and water approvals which are approved after the PDA was declared, or changed after the PDA is declared, and therefore only applies to approvals or changes that are issued during the transition of an area from a local government planning regime to a PDA.
- Prior to issuing a direction to remit infrastructure charges to the MEDQ, the MEDQ can require information about the relevant charges. As such, the MEDQ can make an informed decision in relation to the direction i.e., which charges should be transferred, and which charges are being used by the local government or distributor-retailer to fund infrastructure in the PDA and therefore should remain.

¹ The Minister for Economic Development Queensland (MEDQ) as the corporation sole is the legal entity under the *Economic Development Act 2012*. However, for ease of reference, when addressing the day to day operations of the MEDQ, Economic Development Queensland is used in this fact sheet.





What are the Amendments?

The Bill introduces new provisions into the *Economic Development Act 2012* (the Act) which provide for the MEDQ to require information about certain infrastructure charges from local governments and distributor-retailers. The MEDQ can also issue a direction for infrastructure charges to be transferred to the MEDQ where those charges are to be used to fund infrastructure to service the PDA.

Proposed Amendments ²	
<i>Economic Development Act 2012</i>	<p>The Bill includes new provisions in the Act for infrastructure charges which:</p> <ul style="list-style-type: none"> • Allows the MEDQ to request the transfer of relevant infrastructure amounts if the MEDQ is satisfied the infrastructure charges may be used to deliver infrastructure to service the PDA. • Defines relevant infrastructure as an amount paid or payable to a local government or distributor-retailer under a relevant approval in relation to trunk infrastructure or under an infrastructure charges notice given for a relevant approval. • Specifies that this provision relates to development approvals and water approvals which were given, or changed, after the PDA was declared. • Allows the MEDQ, by notice, to ask for information about the above-mentioned infrastructure charges. The local government and/or distributor-retailer must comply with the notice.

How will the MEDQ have regard to the local government or distributor-retailer’s financial sustainability before requiring the transfer of infrastructure charges?

There are several safeguards included in the Bill to protect the financial sustainability of local governments and distributor-retailers.

One safeguard is the ability to direct the relevant local government or distributor-retailer to provide information related to the infrastructure charges. The type of information that would be sought includes where a local government or distributor-retailer is relying on the infrastructure charges to pay-off infrastructure already delivered in the area. This will provide the MEDQ with the opportunity to review all relevant information, prior to issuing a direction to remit infrastructure charges.

Another safeguard is the limited scope of this power which specifically targets development approvals transitioning from a local government planning regime into a PDA.

Infrastructure charges transferred to the MEDQ will be used to fund infrastructure to service the relevant PDA.

Further information

For more information, please contact Economic Development Queensland via EDQ@dasilgp.qld.gov.au

² The ‘Proposed Amendments’ table provides an overview of the amendments. For further detail refer to the Economic Development and Other Legislation Amendment Bill 2024

