

Fact sheet: Local government infrastructure framework

Priority infrastructure area – role, determination and application

This fact sheet provides advice on the use of a priority infrastructure area (PIA) for both local government and applicants. It helps local governments determine development applications and apply provisions. It helps applicants understand the role and scope of a PIA when dealing with development applications.

Background

The PIA is part of the local government infrastructure plan (LGIP). The terms LGIP and PIA are defined in the *Planning Act 2016*.

A PIA is an area serviced or intended to be serviced by development infrastructure networks that are used or approved for urban purposes and will accommodate 10 to 15 years of growth.

Misconceptions of the PIA

Misconception	Discussion	Provisions
Adopted charges cannot be levied for areas outside the PIA.	The Planning Regulation 2017 prescribes maximum charges that a local government may levy for different land uses. The adopted charges can be applied inside and outside the PIA.	Planning Act, Planning Regulation
Infrastructure planning and plans for trunk infrastructure are only limited to areas within the PIA.	The Minister's Guidelines and Rules (MGR) states that a local government may include trunk infrastructure items outside the PIA. Trunk infrastructure to service the PIA at the desired standard of service is the minimum an LGIP must include. Local governments are required to ascertain the ultimate development capacity of their urban areas and are strongly encouraged to undertake long-term infrastructure planning for their urban areas. Limiting network planning to the PIA may not reflect those planning scheme commitments already made to land-use outcomes that may lie outside the PIA. This does not allow for responsive and prudent management of the overall urban strategy of the local government and may not align with wider local government corporate objectives.	MGR
Infrastructure located outside the PIA cannot be trunk infrastructure.	The PIA boundary has no impact on whether an infrastructure item is trunk or not. Trunk infrastructure identified outside of the PIA, or infrastructure shown to be consistent with the parameters identified for trunk infrastructure, remains trunk infrastructure.	Planning Act and MGR
All development outside the PIA must pay extra trunk infrastructure costs.	The Act allows for extra trunk infrastructure costs to be applied to a development outside the PIA. However, this does not necessarily mean every development outside the PIA must contribute extra trunk infrastructure costs. Each development must be	Sections 130 to 134 of the Act



	assessed and considered against the requirements of sections 130 to 134 of the Act to determine whether extra payment conditions can be imposed.	
Land outside the PIA is not entitled to an infrastructure refund.	This perception assumes any development that delivers trunk infrastructure with a value greater than the adopted charge is not entitled to a refund. This is not supported by the legislation, which allows for the possibility of a refund – just not an automatic refund.	Sections 130 to 136 of the Act

The PIA

Role of the PIA

The role of the PIA is to help coordinate, prioritise and sequence infrastructure across all infrastructure networks to service 10 to 15 years of urban growth. Its aim is to identify the areas where infrastructure can be provided most efficiently to support development.

Urban development is not prohibited outside the PIA boundary and the PIA is not intended to create an absolute regulatory boundary that controls where growth can or cannot occur. It is a local government's responsibility to determine whether development proposed outside of the PIA will be a burden to the community over the medium and longer term or whether it is consistent with long-term planning outcomes. A development's location with respect to the PIA boundary will determine whether some additional assessment requirements, and in some cases extra infrastructure costs, may be applicable where a measured impact can be determined.

Determination of the PIA

The MGR includes requirements for the determination of the PIA when drafting an LGIP. Consideration should also be given to the matters outlined below:

- The PIA should make provision for urban growth that appropriately reflects the needs and demands of local communities, e.g. detached or attached housing, commercial, industrial and retail development areas.
- It should seek efficiencies by using existing infrastructure capacity, where available, to meet the immediate needs for growth, and, where not available, in areas of logical expansion of all infrastructure networks.
- The PIA will not always succeed in perfectly emulating all of the complex considerations in land development that drive the speed, location and type of development. Considerations that may affect growth assumptions about development are:
 - land-use provisions that facilitate development
 - land quality and suitability
 - ownership (propensity to develop)
 - level of land fragmentation
 - market conditions and demand
 - infrastructure servicing needs
 - costs.

PIA application

The location of development relative to the PIA boundary – i.e. inside, partly outside, or outside the PIA – has implications for the conditioning powers for trunk infrastructure under the Planning Act. Development within the PIA that is consistent with the assumptions of the LGIP (e.g. type, scale, location and timing of development) will generally not be subject to extra payment conditions.

Where development is inconsistent with the assumptions of the LGIP or is located outside the PIA, the Act provides for the consideration of extra trunk infrastructure payment conditions.

Statutory provisions for extra cost conditions

Conditions for extra trunk infrastructure costs – application of sections 130 to 136 of the Planning Act	
Inside PIA – a local government may impose an extra payment condition in the following circumstances:	Outside PIA – a local government may impose an extra payment condition in the following circumstances:
<p>Development generates infrastructure demand that is greater than the LGIP assumptions about the type or scale of development, or development requires new infrastructure at an earlier date than identified in the LGIP.</p> <p>And Development would impose extra trunk infrastructure costs on the local government after taking into account charges levied for the development, and/or trunk infrastructure provided or to be provided by the applicant under Chapter 4, Part 2 of the Act (section 130[1]).</p>	<p>Development generates infrastructure demand that is greater than the LGIP assumptions about the type or scale of development (section 130[1]).</p> <p>Or Development requires new infrastructure at an earlier date than the date identified in the LGIP for that infrastructure (section 130[1]), or the premises is completely or partly outside the PIA (section 130[1]).</p> <p>And Development would impose extra trunk infrastructure costs on the local government after taking into account charges levied for the development, and/or trunk infrastructure provided or to be provided by the applicant under Chapter 4, Part 2 of the Act (section 130[1]).</p>
Exception: An extra payment condition may not be imposed for a state infrastructure provider (section 130[2]).	Exception: Same as for Column 1
<p>A condition for the payment of extra costs must identify:</p> <ul style="list-style-type: none"> • the reason it is imposed • the amount of the extra payment • details of the trunk infrastructure for which the payment is required • when it must be paid • that the applicant can provide the trunk infrastructure instead of making the payment • if the applicant chooses to provide the infrastructure, the condition must identify the requirements for providing it and when it must be provided. (Section 131) 	<ul style="list-style-type: none"> • Same as for Column 1
For trunk infrastructure to be provided earlier than planned in the LGIP, the amount of any extra cost is limited to the extra establishment cost incurred by the local government to provide the trunk infrastructure earlier than planned (section 132[2]).	
For infrastructure associated with a different type or scale of development from that assumed in the LGIP – the establishment cost	

<p>of any extra trunk infrastructure made necessary by the development (section 132[2]).</p>	
<p>The infrastructure is necessary but not yet available to service the development (section 130[3]).</p>	<p>Same as Column 1</p>
<p>The extra payment condition may include the establishment costs of the infrastructure even if it is also intended to service other development (section 130[4]).</p>	
<p>The local government must refund the payer the proportion of the establishment cost of infrastructure that:</p> <ul style="list-style-type: none"> • may be apportioned reasonably to other users, and • has been, is, or is to be, the subject of a levied charge (section 134[2]). 	
	<p>The extra payment condition applies to the establishment cost of infrastructure that is made necessary by the development and is necessary to service other urban development identified in the planning scheme (section 133[a]).</p>
	<p>The establishment cost and future removal and rehabilitation costs of temporary infrastructure made necessary by the development (section 133[c]).</p>
	<p>The maintenance and operating costs for up to five years for temporary or permanent infrastructure made necessary by the development (section 133[d]).</p>
<p>If a development approval subject to an extra payment condition no longer has effect, a payment has been made under the condition, and the construction of the subject infrastructure has not substantially started, the local government must refund the applicant the amount of the payment that has not been spent to provide trunk infrastructure (section 135).</p>	<p>Same as for Column 1.</p>
<p>An extra payment condition does not prevent a local government from doing the following:</p> <ol style="list-style-type: none"> a) adopting charges for trunk infrastructure and levying charges b) imposing a condition for non-trunk infrastructure c) imposing a necessary infrastructure condition. (Section 136) 	<p>a) Same as for Column 1.</p>

Cost impact determination

Should a local government seek to impose an extra payment condition, it must be able to quantify the impact, as set out under the Planning Act firstly under section 130 and then in detail under section 131.

In simple terms, the Act sets out the 'cost impact' as being the additional cost to a local government to deliver the necessary trunk infrastructure required for the development.

A large proportion of trunk infrastructure is delivered by the development industry as a consequence of development and not the local government.

Given trunk infrastructure is delivered in these cases, offsets will apply to the charges in order to determine a net position. This results in one of two outcomes:

1. Where the charges exceed the total cost of any trunk infrastructure being contributed, there is no quantifiable cost impact.
2. Where total cost of any trunk infrastructure exceed the required charges, then a cost impact is more likely to be occasioned. The greater the exceedance of the charge by trunk infrastructure delivered, the higher the propensity there is for a cost impact through inefficient and/or underused assets. This test should be used as a general guide to warrant further investigation of the costs and efficiencies of the proposed development. This can be mitigated through an infrastructure agreement that requires the developer to hold that investment risk.

Distributor–retailers

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

More information

For more information on local government infrastructure conditions, adopted charges and planning matters, please visit the [Department of Infrastructure, Local Government and Planning website](#).