

FACT SHEET: Infrastructure Charges Deferral (3.5 to 5 Star Rated Hotel Accommodation)

Deferral for Hotel Accommodation

From 1 March 2017, new hotel accommodation developments in Logan that achieve a 3.5 to 5 star rating with Star Ratings Australia may request to have their infrastructure charges deferred. This deferral policy is stated in section 7.2, 7.3 and 7.4 of the Logan Charges Resolution.

Logan City Council has introduced this policy to defer infrastructure charges for new 3.5 to 5 star rated Hotel Accommodation, including serviced apartments, to encourage investment, job creation, and improve the current lack of short-term accommodation options within the city.

How does it work?

This policy only applies to new Hotel Accommodation developments located within the City of Logan, with the exception of any area located within a Priority Development Area.

The value of the infrastructure charges payable against the development approval may be deferred for eligible Hotel Accommodation development. The deferral only applies to the Hotel Accommodation components such as bedrooms and suites.

Hotel Accommodation means short-term accommodation for an accommodation hotel and serviced apartments.

Are there any conditions?

The following conditions apply for new 3.5 to 5 star Hotel Accommodation requesting a deferral:

- The applicant must enter into a formal agreement with Council to defer the charges.
- The applicant must provide Council a bank guarantee for the value of the charges prior to the charges becoming payable.
- The hotel must obtain a 3.5 to 5 star hotel category accommodation rating under the Australian Star Rating Scheme within 12 months after the charge becomes payable.

- The hotel must maintain a minimum 3.5 star hotel category accommodation rating under the Australian Star Rating Scheme throughout the entire operation of the use.

What uses are not eligible?

The following types of uses are **not** eligible for the deferral:

- × Uses associated with the hotel such as bar, dining, gaming, and conference facilities
- × Motel
- × Backpackers
- × Cabins
- × Farm stay
- × Dual occupancy (auxiliary unit)
- × Rooming accommodation
- × Hostel
- × Caravan parks
- × Tourist park

How do I apply?

If the development is for a 3.5 to 5 star rated Hotel Accommodation, an applicant may, at any time after an approval has been issued, but before the charge becomes payable, apply for a deferral against the charges by submitting the application form and supporting information.

Council will then prepare a formal agreement to defer the payment of the charges for a 3.5 to 5 star hotel.

The formal agreement will include conditions which state:

- the applicant to provide Council a bank guarantee for the total value of the charge prior to the charge becoming payable;
- once Council receives the bank guarantee, the payment of the charges for the development will be deferred to 12 months after the charge becomes payable;
- if, within 12 months after the charge becomes payable, the Hotel Accommodation obtains a 3.5 to 5 star hotel category accommodation rating under the Australian Star Rating Scheme, then the Bank Guarantee will be released by Council, the charge the subject of the agreement will not be payable;

- if, after 12 months after the charge becomes payable, the Hotel Accommodation has not obtained the minimum 3.5 star hotel category accommodation rating under the Australian Star Rating Scheme, the applicant will be required to pay the charges for the development in full. If the applicant does not pay the charges within the timeframes specified in the agreement, Council will call up the Bank Guarantee to recover the infrastructure charges;
- the Hotel Accommodation must maintain a minimum 3.5 star hotel category accommodation rating under the Australian Star Rating Scheme throughout the entire operation of the use, otherwise, the charges become payable; and
- a credit for the amount of charges which are deferred and remain unpaid in accordance with the agreement, will not be available for infrastructure charges levied for future development on the land.

More Information:

- visit Council's [Infrastructure planning and charges webpage](#);
- contact Council using the details provided in the footer of this fact sheet; or
- visit the Planning, Building and Plumbing counter at 150 Wembley Road, Logan Central; opening hours and directions are available on Council's [website](#).