

Developer Services e-News

Infrastructure Charges Indexation commences Friday 12 January 2024

Indexation is the conversion of the cost of an item into today's true dollar value.

For the past year, we have been encouraging development customers to factor indexation of Urban Utilities Infrastructure Charges (IC) in 2023-24. **Infrastructure charges indexation for development in the local government areas of Brisbane, Lockyer Valley, Scenic Rim and Somerset will commence on Friday 12 January 2024 and will be indexed from the date the Infrastructure Charges Notice (ICN) was raised until the time of payment.** Infrastructure charges indexation is already applied by agreement to development in the Ipswich local government area where charges are calculated on a precinct rather than city wide basis. Infrastructure charges indexation is already applied by most other utilities and councils.

By not applying indexation to date, which is counter to legislation, Urban Utilities have been effectively providing infrastructure charges discounts on already capped charges for over nine years. However, Urban Utilities and other community customers are unable to sustain this cost on behalf of development customers.

Benefits of Infrastructure Charges

Everyone living in, and visiting, our communities benefits from these charges. Infrastructure charges can only be used to fund development-related new or upgraded trunk (major community) infrastructure e.g. water pumping station, sewage treatment plant. It is also used to reimburse development customers delivering trunk infrastructure on Urban Utilities' behalf in accordance with the Water Netserv Plan.

Who pays Infrastructure Charges?

Everyone who develops property, where the demand for water and/or wastewater services increases, is required to pay infrastructure charges contributions in accordance

with the *South East Queensland Water (Distribution and Retail Restructuring) Act 2009* and the Water Netserv Plan.

Why is this changing from Friday 12 January 2024?

These and other changes are supported by the modernisation of our business processes and the creation of a new digital ecosystem that enables developers, consultants and Urban Utilities to transparently share progress through the development life cycle. This undertaking represents over two years of effort and is an opportunity to significantly improve water approval and related processes, to create better outcomes for our communities.

This change will enable greater quality assurance and efficiencies in managing and monitoring development related water and wastewater connection, disconnection and alteration services and reporting. From Friday 12 January 2024, development customers will be able to request online, via the [Developer Services Portal](#), an Infrastructure Charges Proforma Invoice (currently known as an Itemised Breakdown) rather than emailing or telephoning the team, and will have greater online visibility of calculated charges and outstanding payments. More information on automation of other development related services and functions will be forthcoming shortly and continue to be delivered over the next 6 months.

How much will infrastructure charges increase?

There is a limit on the maximum amount of indexation that can be applied. This is guided by the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* ('the Act'). Your charges will not increase any more than the 3-yearly Producer Price Index (PPI) moving average.

Determining infrastructure charges indexed value

If you are considering paying IC on or after Friday 12 January 2024*, you can estimate the updated value by referring to the PPI Index (Producer Price Index) calculation tool on the [Queensland Government website](#). *Please consider this as indicative only.*

The examples below compare the value of IC paid on or before Thursday 11 January 2024 (pre-implementation of indexation), with the indicative value to be paid on or after

Friday 12 January 2024 (post-implementation of indexation). *Note: this is indicative only.*

Example 1:

- ICN issued 06 October 2021 - \$35,000
- Value at 06 September 2021 and up to and including 11 January 2024 = \$35,000
- Approximate value at 12 January 2024 (using September indexation rate)
= \$37,871.48

Example 2:

- ICN issued 06 July 2023 - \$45,000
- Value at 06 July 2023 and up to and including 11 January 2024 = \$45,000
- Approximate value at 12 January 2024 (using September indexation rate)
= \$45,651.18

** please note the PPI is updated quarterly after it is published by the Australian Bureau of Statistics and this result will change when the December 2023 PPI has been released.*

How to avoid infrastructure charges indexation

To avoid paying infrastructure charges indexation, you must have **paid** IC on or before Thursday 11 January 2024 from a current Itemised Breakdown (not more than 30 days old). If you need a current Itemised Breakdown, request one by emailing ICNEnquiries@urbanutilities.com.au and include the application reference (e.g. XX-PNT-XXXXXX or XX-STD-XXXXX). Please allow three business days for the preparation of the Itemised Breakdown.

For further information or advice contact us:

Search 'itemised' on our website: urbanutilities.com.au

Call Developer Services on **07 3432 2200** between 8:30am — 4:30pm weekdays

Email us at DevelopmentEnquiries@urbanutilities.com.au

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