

Since the return of Logan Water in July 2012, Logan City Council has been working towards harmonising all water charges and service fees across the city.

As part of this year's budget, Council has now achieved harmonisation – meaning all residents throughout the city, regardless of whether they are in rural or urban areas, will have their water and sewerage charges calculated from the same base charge rate.

When will price harmonisation be introduced?

These changes will take effect from 1 July 2013. Residents will see an increase in their water service charge in the July account and an increase to consumption charges appearing within their October account.

Water consumption charges won't appear until October as unlike the service charges, this fee is charged in arrears.

How much will it actually cost me?

Properties currently have varying charges based on location. However as an indication for residents, on average the majority of households across the city will see an increase of 10.6%. This would equate to \$159.00 per annum for the majority of households.

How did you determine these charges?

A comprehensive review was completed across all council boundary areas to identify those areas paying higher prices. Median rates were then determined to ensure that equitable prices were achieved for all residents and businesses.

My charges are increasing by 10%. Why has it gone up this much?

To ensure residents and customers were not disadvantaged at the time of boundary reform, Logan City Council continued to apply the water and sewerage charges which aligned with the charges of their previous Council, leaving the former Allconnex Water to harmonise rates across its customers. This was not achieved by Allconnex Water.

Council has delivered on our commitment to harmonise water and sewerage charges to bring all residents and businesses onto the same charging regime.

A number of factors have contributed to this increase:-

- the decision by the former State Government to cap water and sewerage price increases to CPI for the past two years
- a 21% increase in electricity charged by the State Government-controlled energy providers
- continued investment in essential water and sewerage infrastructure to meet growth and ensure we meet strict environmental and legislative requirements
- the decision by the current State Government to increase bulk water charges by 10.3%

Council must now re-establish an appropriate revenue and expenditure base for the water and sewerage business to cover these increases.

I live in the former Gold Coast City (Logan East) area why is there a higher increase for me?

As part of Local Government Boundary reform, Logan City Council made the decision to continue old pricing regimes for those customers within old Gold Coast areas until such time as a comprehensive review was completed.

Former Gold Coast residents have had reduced charges for approximately five years. Council understands the impact that increased prices have on our community, however to ensure all residents are paying the same charges, this increase is required.

Why is the rate per kL so high?

On 3 May 2013, the State Government announced household water bills in the South-East Queensland region would rise by 10.3% a year from July 2013 to pay for water infrastructure for the State Government water grid.

The impact of this increase and the continued provision of water and sewerage services and infrastructure to Logan City would see water and sewerage rates increase by a combined 10.6% as part of our 2013/14 Budget which will be handed down on 17 June 2013.

The State Government bulk water charge for 2012/13 was \$2.383 (the charge for 2013/2014 will be \$2.628 per kL). Logan City Council currently charges 0.8993 cents per kL which is in addition to the State Government bulk water charge.

Why would prices be harmonised when Council knows the significant impacts it would have on customers?

As part of the Local Government boundary reform requirements, Council was required to harmonise all water and sewerage service charges by July 2012. Subsequent to the dissolution of Allconnex Water in 2012, the Department of Local Government supported Council harmonising these charges within the 2012/13 financial year.

Will the pensioner concession increase?

The current pensioner concession is provided by the State Government. Logan City Council provides a pensioner remission on general rates. Decisions on rates remissions provided by Council will be made within Council's budget which is due to be released on 17 June 2013.

Why didn't you tell me about price harmonisation before now?

To ensure residents and customers were not disadvantaged at the time of boundary reform, Logan City Council continued to apply the water and sewerage charges which aligned with the charges of their previous Council, leaving the former Allconnex Water to harmonise rates across its customers. This was not achieved by Allconnex Water.

Council has worked extremely hard since the return of Logan Water last July to achieve harmonisation of water and sewerage pricing and was unable to communicate these changes earlier.

We acknowledge that a majority of customers and businesses may be impacted, however to achieve harmonisation, Council has had to make some hard choices to ensure that everyone is on the same charging regime.

Why do I have to pay a service charge?

You pay a water service charge for ongoing access (or ability to connect) to the water supply network. You pay a sewerage service charge for ongoing access (or ability to connect) to the sewerage network and for the collection and treatment of your sewerage.

What am I actually paying for?

In order to operate, maintain, upgrade and expand our water supply and sewerage services, we collect water and sewerage charges. Customer accounts may contain the following types of charges:

Bulk water charge: This is the price the state government sets and charges Council to purchase water to supply to our customers. This price is passed on to our customers at cost. It pays for the capturing, storing, treatment and transporting of bulk water from the state government's SEQ Water Grid to our water supply network.

Water consumption charge: This is Council's charge for storing water, maintaining it to drinking quality standards and transporting it to customers' homes and businesses. This charge is based on how much water is used at a particular property.

Service or connection charges: These are collected for both water and sewerage services and are charged for residential and non-residential properties to have access (connected or unconnected) to our water supply and sewerage networks.

Why do I pay a water service charge when I only use tank water not mains water?

The Queensland Development Code states that it is mandatory for dwellings to have a connection to the mains water supply. All customers pay water service charges if mains water is connected to the property, however the water consumption charge component is only applicable to water supplied via the meter from the mains water supply.

Why do I pay water and sewerage service charges when my property is vacant?

All customers pay water and sewerage service charges if a water and sewerage connection is available to their property. This is defined by the Local Government Act and the Safety & Reliability Act 2009.

Where the developer installs infrastructure for water and sewerage services, service charges are levied when Council assumes ownership of this infrastructure. These charges contribute towards the cost of running, maintaining and upgrading the major water and sewerage infrastructure network for the city.

All properties with access to these services may receive a benefit either directly or indirectly. For example, a property's market value may increase with the provision of these services.

Can I disconnect from the reticulated water supply?

The only time disconnection can occur is when demolition approved of any existing dwelling on the property occurs (with a demolition granted order). The property then becomes uninhabitable but would still be subject to vacant water and sewerage service charges.

What infrastructure has Council invested in?

To meet the water and sewerage needs of our city, we have invested a record amount of \$74.8 million on capital project expenditure providing for project growth and renewals of existing infrastructure.

Logan City also has preliminary planning under way for approximately \$457 million investment in water and sewerage infrastructure up to 2021/22. This includes investment in water storage reservoirs, pipes, pump station, water meters, wastewater treatment plants and network control and monitoring systems.