

# Ipswich City Council

# Media Release

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## **Council moves to combat billion-dollar infrastructure funding gap**

Ipswich City Council's 2025-2026 Budget will include a dedicated infrastructure levy to address the significant shortfall in investment from the Australian and Queensland governments, an estimated billion-dollar infrastructure funding gap over the next decade.

Ipswich Mayor Teresa Harding said the city had been significantly underfunded by the Australian and Queensland governments for years, leaving council with no option but to consider how it will fill what is expected to be a billion-dollar hole over the next ten years.

"Ipswich is forecast to grow faster than any other council in Queensland in the next 20 years, doubling to 533,000 residents by 2046. Yet, we receive some of the lowest infrastructure investment of all south-east councils," Mayor Harding said.

"Our city is tasked with accommodating this incredible amount of growth, without the corresponding infrastructure investment to ensure we can manage it in a safe and sustainable way. You can't grow a city without roads, public transport, sewers, community and sporting facilities.

"Despite council raising this issue publicly and directly with our Australian and Queensland government counterparts for years now, there is no change in sight. Therefore, it would be irresponsible of council not to take proactive steps to ensure we can meet the significant challenge ahead.

"The infrastructure levy will raise approximately \$5.4 million in the 2025-2026 financial year and will be used to fund the delivery of strategic infrastructure projects across the city.

"Ninety-nine per cent of ratepayers will pay \$55 annually under the levy, with the remaining one per cent - those whose land is valued at more than \$900,000 - to pay more."

Mayor Harding added that Ipswich City Council would join five other south-east councils that already have infrastructure or transport levies in place to cover the shortfall in funding to local government, ensuring their cities can continue moving forward.

"We are in tough financial times and local government is not immune to this. As the Australian and Queensland governments tighten their budgets, councils are left carrying the can," Mayor Harding said.

"To put that in perspective, councils manage 77 per cent of the state's road network and deliver 33 per cent of services to our communities but receive just three cents in every tax dollar. Meanwhile, the Australian Government takes a massive 81 cents in every tax dollar.

"Locally, the Financial Assistance Grant council receives annually from the Australian Government has increased by only 14 per cent since 2016. Over that same period, inflation has risen by around 31 per cent.

“The Local Roads and Community Infrastructure Program which has delivered around \$3 billion in critical infrastructure investment to councils since 2020 is set to be axed by the Australian Government next year.

“Traditionally, Ipswich has also received some of the lowest road and transport investment from the Queensland Government compared to our neighbouring councils.

“Last year, the Queensland Transport and Roads Investment Program (2025 - 2028) allocated \$3 billion to Brisbane, \$1 billion to Logan but just \$198 million to Ipswich.

“Per resident, Ipswich received the second lowest transport investment of any south-east council – just \$847 per resident. This is compared to Logan’s \$3,087 per resident, Moreton Bay’s \$2,767 per resident, or Lockyer Valley’s \$2,335 per resident.

“Disappointingly, Ipswich ratepayers will now have to pay more because the other levels of government will not.”

Mayor Harding said it was a common misconception within the community that councils profit from new development. Instead, the Queensland Government caps what councils can charge developers to help fund the cost of essential services.

“When developers create new housing, these homes require access to services such as power, water, sewerage and roads. This should be funded through an 'infrastructure charge' on the developer, with the amount set by the Queensland Government,” Mayor Harding said.

“However, the amount is capped by the State and has not been consistently indexed since 2011 while construction costs have risen around 44 per cent.

“This means the costs to deliver these services are now greater than what council can recoup through infrastructure charges, leaving a \$1 billion gap for council to try and fill.

“Without support from the Australian and Queensland governments, and no way to recoup infrastructure funding from developers, an infrastructure levy is a sensible way forward to prepare for the growth we know is coming.”

Finance and Governance Committee Chairperson Councillor Paul Tully said the intent of the levy was to increase council’s capacity to deliver infrastructure for growth.

“At a minimum, this money will be used to help deliver infrastructure for growth which is identified in council's Local Government Infrastructure Plan,” Cr Tully said.

“It would also be used to help fund major roads and open space networks, such as upgrades, extensions and intersections to accommodate our growing community.

“The levy won't cover these projects on its own but will be used strategically to supplement the infrastructure charges collected from development, as well as grants and other sources of funding,” Cr Tully said.

“Five South East Queensland councils have dedicated transport or infrastructure levies, ranging from between \$30 and \$210 per rateable property.

“In the past 30 years, council has introduced only two dedicated citywide levies – the Enviroplan Levy in 1996 and the Rural Fire Separate Charge in 2020.

“Councillors respect that the bottom line of the bill is critically important to the community. We know that a levy on ratepayers is a difficult step to take, particularly with the cost-of-living challenges Ipswich residents are facing.

“It is important for the community’s confidence to be able to see what these funds will be spent for. That was the case with the Enviroplan Levy, with funds raised tied to programs and projects that protect the city’s natural environment.

“Funds raised under this levy will be used to contribute to strategic infrastructure projects to help our community to grow, and will be reported on transparently.”

The Ipswich City Council 2025-2026 Annual Plan and Budget will be handed down on 1 July 2025.

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