

23 April 2015

Research Director
Finance and Administration Committee
Parliament House
George Street
BRISBANE QLD 4000

RECEIVED
24 Apr 2015
Finance and
Administration Committee

Dear Sir/Madam

Re: Payroll Tax Rebate, Revenue and Other Legislation Amendment Bill 2015

The Local Government Association of Queensland (LGAQ) is the peak body for local government in Queensland. It is a not-for-profit association set up solely to serve local governments and their individual needs.

The opportunity to provide feedback on the Payroll Tax Rebate, Revenue and Other Legislation Amendment Bill 2015 (the Bill) is welcomed by the LGAQ. In this instance, the LGAQ comments have been restricted specifically to the proposed changes to the *Plumbing and Drainage Act 2002 (PDA)* and the *Water Supply (Safety and Reliability) Act 2008 (WSSRA)*.

The LGAQ acknowledges the proposed amendments are a result of a Government election commitment to "restore high standards in Queensland's plumbing industry" and, if enacted, will result in reinstatement of the requirement for water meters to be installed by licensed plumbers. Notwithstanding, the impact of these changes on local governments and the communities they serve deserve further consideration.

Under current legislation, water meters can be installed either by a suitably qualified "authorised person" that is a water service provider (WSP) employee or a licensed plumber. As such, the current legislation does not preclude water services from using a licensed plumber to perform installations of water meters. However, the proposed changes will disproportionately affect those rural and remote local government water service providers where attracting and retaining staff is already a very significant challenge. In many of these areas there are profound skills shortages, and the added pressure of this requirement will create unreasonable delays in work and increased costs. The LGAQ is currently developing an estimate of these delays and costs.

To be clear, the added costs of this legislative change will very likely require local governments to increase the pricing for water services. For rural and remote areas already under great financial stress from a limited rates base due to small populations, the LGAQ would seek for the State to compensate for the cost of this change. In more populated areas the increased cost could reasonably be recovered from fees associated with applications for the installation of new meters. In either case, the LGAQ would encourage the Committee to consider how the added cost of this change is to be recovered, and the potential impact on the communities who eventually pay for these costs.

While the LGAQ is supportive of ensuring exemplar outcomes are achieved through appropriate regulation of both licensed plumbers and WSPs, there is no evidence to indicate that the installation of water meters by authorised persons under the WSSRA would adversely affect public health or safety. Further, the LGAQ does not believe that providing exclusive access to licensed plumbers for installing water meters enhances or ensures the existing requirement for local government water service providers to protect public health. Indeed, the final report of the State Development, Infrastructure and Industry Committee considering the Water Supply Services Legislation Amendment Bill 2014 (P9), which reviewed the current legislation, noted that both the Department of Health and the Department



of Energy and Water Supply stated there was no additional risk to public health from the change. The Committee went on to support this assessment, and to conclude that sufficient legislation already existed to place a responsibility on water providers to ensure water meters would not endanger public health regardless of who performed the work. The Association would encourage the Committee to enquire and confirm that there have been no negative impacts on public health or safety since the change.

Although the practice of installing water meters does vary across Australia, the current regulatory approach in Queensland and internationally is the commonly adopted model. Ultimately the current approach gives flexibility to local government water providers, who are under strict regulatory requirements to ensure the safety of their water services as mentioned previously. In an environment where many Queensland local governments are experiencing severe skilled trade shortages, extended drought and/or significant development pressures, the increased costs resulting from this change will have an impact on communities.

The policy position of the LGAQ is that Queensland local government should be provided with the flexibility and ability to adapt to changing circumstances. The restrictive isolation of work that can currently be effectively and efficiently undertaken by a range of appropriately trained, experienced persons is considered impractical. This position is shared by the Queensland Water Directorate; and the LGAQ supports its separate submission in regards to this change.

The LGAQ seeks the opportunity to appear before the Committee to further discuss the impacts of these changes on local government. Should you have any questions or concerns in relation to this correspondence, please feel free to contact Ms Simone Talbot, Manager Advocate on [REDACTED].

Yours sincerely

Greg Hoffmen PSM
GENERAL MANAGER – ADVOCACY