

Our ref: A2294568

The Research Director
State Development, Infrastructure and Industry Committee
Parliament House
George Street
BRISBANE QLD 4000

16 May 2014

Dear Madam

Sustainable Planning (Infrastructure Charges) and Other Legislation Amendment Bill 2014

Unitywater welcomes the opportunity to provide this submission to the Committee for consideration. Unitywater is committed to implementing the revised framework and supports the State Government in its endeavours to introduce a planning and charging framework that is certain, consistent, streamlined and transparent. The following comments are focused on matters directly related to the implementation of the utility model for Distributor-Retailers.

1. Continuation by Distributor-Retailers of existing charges decisions and agreed proportional splits with Participating Local Governments

The Bill makes provision for the continuation of existing charges resolutions of local governments until 1 July 2016 (section 979, page 72). The introduction of the new framework involves the creation of a new charging head of power for Distributor-Retailers under the *South-East Queensland Water (Distribution and Retail Restructuring) Act 2009* (DR Act).

There is no similar power in the DR Act amendments for the charges decisions made by Distributor-Retailers under the current framework to be converted and recognised (as an interim measure) as an Infrastructure Charges Schedule for the purpose of levying charges under the DR Act. It is considered reasonable for Distributor-Retailers to be given equivalent powers to local governments to continue with existing charges and avoid the added administrative burden of establishing an Infrastructure Charges Schedule and a new proportional split agreement before the 1 July 2014 commencement date.

Suggestion

It is considered that provision should be made for Distributor-Retailers to continue applying existing charges under the new DR Act framework as an interim measure until new Infrastructure Charges Schedules are able to be adopted.

2. Limitation of levied charge

Unitywater is supportive of the need for clarity about when charges may be applied and the matters that must be taken into account in calculating applicable charges. Section 99BRCJ(2) (page 100) states matters that must not be included in working out whether additional demand will be generated by a connection.

Paragraph (a) appears to be drafted in a way that will have unintended consequences for Distributor-Retailers in that it refers to excluding existing demand that is the subject of an existing water approval. The consequence seems to be that an existing approval that has not been acted upon and that has not actually utilised any existing demand must nevertheless be excluded from the calculation of the adopted charge. This is despite the fact the application under consideration may in fact negate the existing approval.

Essentially, the demand of an existing use and/or the demand that has already been paid for should be excluded. The paragraph should be redrafted to achieve this outcome.

Paragraph (c) imposes a limitation on infrastructure charging for new development that may be carried out without the need for a development permit. New water and/or sewerage connections may be required for a development which may have significant demand impacts on existing networks. While it is recognised that this paragraph is intended to limit imposition of infrastructure charges on as of right development, it is not fair to impose this limitation on Distributor-Retailers as they may be required to provide additional capacity in their networks to serve the development. For a local government that is responsible for its water and sewerage services, these matters can be expected to be taken into consideration in the drafting of its planning scheme. However, once the utility model is operational these matters will not necessarily be considered by local governments in making their planning schemes. It is considered that redrafted paragraph (a) (see below) and existing paragraph (b) on their own provide the necessary limitations to ensure the system operates fairly and efficiently.

Suggestions

Paragraph (a) — Unitywater is not opposed to limitations being included. However, it is considered that paragraph (a) should be refined to avoid the unintended consequence mentioned above and to ensure that infrastructure charging is not unreasonably limited. To achieve this it is suggested that paragraph (a) be amended to exclude the demand of an existing use and/or the demand that has already been paid for from the calculation of the charge.

Paragraph (c) — it is suggested that consideration be given to deleting paragraph (c) for the reasons outlined above.



Should you require any further information in relation to the above matters, please contact myself on 5431 8541 or at ashley.lorenz@unitywater.com

Yours sincerely

A handwritten signature in black ink that reads "A. M. Lorenz".

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