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The Research Director  
State Development, Infrastructure and Industry Committee  
Parliament House  
Corner George and Alice Streets  
Brisbane QLD 4000

GPO Box 2279  
Brisbane QLD 4001  
Level 17, 141 Queen Street  
Brisbane QLD 4000

T: 07 3229 1589  
F: 07 3229 7857  
E: [udia@udiaqld.com.au](mailto:udia@udiaqld.com.au)

[www.udiaqld.com.au](http://www.udiaqld.com.au)

ACN 010 007 084  
ABN 32 885 108 968

**BY POST / EMAIL - [sdiic@parliament.qld.gov.au](mailto:sdiic@parliament.qld.gov.au)**

Dear Committee

### **Water Supply Services Legislation Amendment Bill 2014**

This submission is made to you following an examination by the Urban Development Institute of Australia (UDIA (Qld)) of the contents of the Water Supply Services Legislation Amendment Bill 2014 (WSSLA Bill) and after consulting with our membership. Our brief comments are limited to those aspects of the WSSLA Bill that provide the framework for the Utility Model (UM) for South East Queensland distributor-retailers (DRs).

The UDIA (Qld) support the introduction of the UM as it presents the opportunity for faster and more streamlined water and sewerage connection approvals. In particular, we strongly support the provisions of the WSSLA Bill that allow for accredited third parties to certify infrastructure works and undertake physical connections as a means of reducing timeframes. The UDIA (Qld) agree that the UM is, in theory, superior to the existing delegated assessment process given its clear limitations with regards to coordination.

Whether the UM in fact delivers reduced design times, lower holding costs and fewer delays for developers is very much dependent, not on the overarching framework established by this WSSLA Bill, but on the practices and process established by the DRs as well as the content of their Water Netserv Plans. The development industry has engaged, and will continue to engage, with the DRs to ensure that the UM does in fact deliver on the policy objectives of the WSSLA Bill.

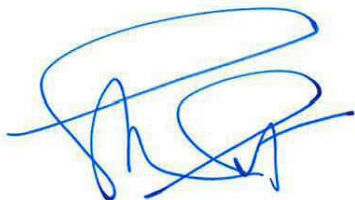
The explanatory notes and second reading speech accompanying the *South-East Queensland Water (Distribution and Retail Restructuring) and Natural Resources Provisions Bill 2009* stated that the creation of the DRs would deliver efficiency gains through economies of scale and that the industry would benefit from greater commercial focus and better service delivery. Feedback from our members suggests that, on average, they have not experienced those promised benefits. Given this recent history, there is naturally some skepticism amongst our members as to whether the potential benefits of the UM will in fact be delivered. For this reason, the UDIA (Qld) recommend that the WSSLA Bill be amended to include a legislative requirement for a review to take place within twelve months of operation. This review should include a comprehensive survey of users of the system as a means of determining whether the policy objectives of the UM are in fact being delivered.

A particular area of concern of the development industry relates to the combined level of fees and charges that may be levied by Local Government and DRs after the 1<sup>st</sup> of July 2014. The UDIA (Qld) submits that Local Government should not be allowed to levy fees and charges relating to water and sewerage after the 1<sup>st</sup> of July on the basis that they will no longer be responsible for issuing approvals on behalf of DRs. Further, even if Local Government eliminated fees and charges relating to water and sewerage, we are concerned that other development assessment and operational works related fees and charges will increase in an effort to maintain overall Local Government revenue from fees and charges. The UDIA (Qld) submits that Local Government fees and charges should fall after the 1<sup>st</sup> of July 2014 commensurate with their reduced responsibilities. If significant increases in combined fees and charges do occur after the 1<sup>st</sup> of July, this will undermine the benefits that may result from reduced approval timeframes under the UM. The UDIA (Qld) recommend that the Committee give consideration as to how the WSSLA Bill could be amended to avoid this outcome.

Finally, it is noted that matters such as conditions of approvals, lapsing of approvals, owner's consent, dispute resolution and decision timeframes are all dealt with in the WSSLA Bill. Many of these issues are currently the subject of debate as part of the State Government's plans to introduce new planning legislation to replace the Sustainable Planning Act. It is recommended that further legislative amendments be made later in the year to ensure consistency with the new planning legislation.

Yours sincerely

**Urban Development Institute of Australia (Queensland)**

A handwritten signature in blue ink, appearing to be 'M. Vit', written in a cursive style.

Marina Vit

**Chief Executive Officer**