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3 March 2014

Mr David Gibson MP
Chair
State Development, Infrastructure and Industry Committee
Queensland Parliamentary Service
Parliament House
Corner George and Alice Streets
BRISBANE QLD 4000

Dear Mr Gibson

Re: *Water Supply Services Legislation Amendment Bill 2014* – Submission to the Parliamentary Committee

Thank you for the opportunity to provide a submission on the *Water Supply Services Legislation Amendment Bill 2014* (the Bill), which was introduced to the Queensland Parliament on 12 February 2014. Thank you for allowing Brisbane City Council (Council) an extension of time from Friday 28 February 2014 until Monday 3 March 2014 to lodge a submission.

There is a risk that in the limited time Council has had to review the Bill some potential implications for Council and the development assessment process may have been overlooked. Notwithstanding the limitations of the timeframes, Council provides the following comments.

Council has previously expressed support for the continuation of the current delegated concurrence agency model between Queensland Urban Utilities (QUU) and Council. Among other matters, the concurrence agency model commits QUU to fulfil statutory timeframes as contained in the *Sustainable Planning Act 2009* while integrating the majority of assessment considerations. Council does not support the Bill in its entirety as the utility model has major negative implications for Council and the development industry. The Bill fails to provide for a model which presents an integrated solution for the assessment of development proposals. The duplication and separation of processes which are embedded in the utility model are not conducive to the comprehensive and coordinated assessment of development proposals. The utility model is based on the false assumption that water and sewerage issues can be addressed separately to the other engineering and planning considerations.

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Council's specific issues regarding the Bill include:

- The Bill is complex and fails to clearly and concisely capture what is required of the distributor-retailer, Council and the development industry. This legislative complexity will lead to confusion and implementation difficulties.

- The Bill requires all existing applications lodged with Council prior to 1 July 2014 and subsequent related applications, to continue to be managed by Council. This 'tail' of applications will require Council to manage applications on behalf of the distributor-retailer for an indeterminate period. The 'transitional' arrangements which commenced in June 2010 appear to be potentially continuing for an indeterminate period. It is not acceptable for Council to be responsible for the core business of a separate business entity for a protracted period. As an indication as to the potential longevity of the 'transition', Council continues to manage, in the ordinary course of the applicants' business, Development Applications which were lodged under the *Integrated Planning Act 1997.*

- The Bill requires that the distributor-retailer manage all new development applications lodged as from 1 July 2014. The duplication of processes and staffing required under this arrangement is inefficient and will create an administrative cost burden on Council and the development industry.

- The Bill requires ongoing Council involvement in the distributor-retailer business and the simultaneous maintenance of skill base and multiple systems to support this. Council is required to continue to manage ongoing and residual legislative frameworks including the *Integrated Planning Act.* The Bill adds more legislative processes at a time in which further planning reform is forecast.

- Associated with the indeterminate duration of 'tail' applications, Council will be required to maintain staffing resources to manage the applications. The quantum of the resourcing to service these applications will be difficult to forecast. Creating a legislative framework which results in Councils being burdened by workforce planning and budgeting difficulties is inefficient.

- Over time as the 'tail' of applications diminishes, Council will be confronted with a diminishing pool of resources to manage these applications, as staff seek alternative opportunities.

- It is noted that the Bill allows the distributor-retailer a 'soft landing' on 1 July 2014 and the ability to gradually build processes and staffing. The Bill transfers all the difficulties and inefficiencies to Council regarding the protracted assessment period of managing residual applications and multiple systems and processes.

- Council requests that as a minimum, the legislation must stipulate a sunset clause by which time the fully transitioned process is to be completed. It is suggested that all applications currently with Council are to be transferred to the distributor-retailer by 31 December 2014. This date will provide certainty for the development industry and will enable a clear demarcation of a change in legislative requirements.

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- The Bill requires Council to continue to operate dual systems and procedures and skill base for an indefinite period. Simultaneously, the development industry will have an expectation that Council fees will diminish as at 1 July 2014. This financial burden on Council is not equitable and cannot be sustained in the context of an indefinite period of responsibility for distributor-retailer activities.

If further information on Council's submission is required, please contact Mrs Deanna Heinke, Principal Planner, City Planning and Economic Development Branch on telephone 07 3403 6085 or email deanna.heinke@brisbane.qld.gov.au.

Yours sincerely

Colin Jensen
CHIEF EXECUTIVE OFFICER